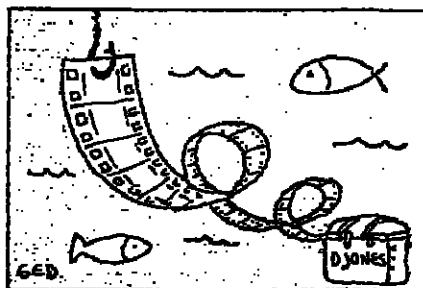




LADIES OF THE RING

Should women be Morris dancers?

Life & Times, page 5



REELING THEM IN

Lost treasures of the film world

Life & Times, page 1



LET'S MAKE AN OPERA

Sweet inspiration of the Channel tunnel

Life & Times, page 3

Major left stony-faced at conference as party divisions over Europe are laid bare

Tebbit savages Maastricht to Tory ovation

By Philip Webster, Chief Political Correspondent

THE Conservative party was embroiled in open warfare last night after a passionate and theatrical intervention from Lord Tebbit in which he denounced the government's European policy and embarrassed the prime minister.

Tory leaders were striving to hold the party together after an astonishing day at their Brighton conference had seen its divisions over Maastricht laid bare by Lord Tebbit's warning that the government was in "desperate trouble".

Douglas Hurd, foreign secretary, told the party that it could break itself apart over Europe after a noisy and bitter debate in the conference hall, and a string of attacks on Maastricht on the fringe. The

government's troubles piled up as Kenneth Baker, the former home secretary, put himself at the head of the Commons revolt over Maastricht. Mr Baker, who left the cabinet only six months ago, is now expected to vote against the treaty ratification bill when it returns to the Commons, probably just before Christmas.

Although the government was able to claim backing for its Maastricht strategy from a largely meaningless vote at the conference, it was obvious that a good third of the representatives supported the anti-Maastricht, anti-ERM line personified by Lord Tebbit.

The former party chairman, who had tried unsuccessfully to table an amendment calling for the abandonment of economic and monetary union, was cheered loudly as he went to the rostrum for a speech that severely embarrassed Mr Major and his watching colleagues.

The prime minister looked on stony-faced as Lord Tebbit offered him what appeared to be only qualified support. He said he would pledge his support to him "whenever and wherever you pursue policies to restore our economy, to preserve the rights of these islands and manage our affairs for ourselves in our own interests".

His most wounding jibe came when he referred to efforts by newspapers to bring down the Chancellor Norman Lamont. Turning to him, he said: "I hope, prime minister, you will stand by your Chancellor. After all, it was not Norman Lamont's decision to enter the ERM." Mr Major took Britain into the ERM when he was Chancellor.

In a well-received speech that followed Lord Tebbit's Mr Hurd said that just as the Tories had broken apart over the Corn Laws and tariff reform "our party could break itself over Europe — with consequences which would deeply damage Britain and only give comfort to our opponents." He was cheered when he added: "Let us decide to give that madness a miss."

Earlier Sir Norman Fowler, the party chairman, had warned of the risk of party splits ruining Tory hopes of a fifth term in office. He warned the conference against treading "the socialist road of division". He called on Tory

MPs to "stand together", adding: "The test of any political party is not how united it is in the good times, but how united it stays in the tough times."

"We have won more elections than any party in Britain because we are the most united and the most determined party in Britain. Over the same period Labour have been the most divided and the most undisciplined party in Britain. That is why they have lost, and lost, and lost and lost again."

Mr Hurd said after the debate that "no one should be taken in by a noisy minority". The government made plain last night that it was unmoved by the day's events and would press ahead, as planned, with the ratification of the treaty.

It was clear, however, that the Euro-sceptic speakers were winning the more enthusiastic receptions as the debate proceeded. The motions chosen for debate gave them no opportunity to express their views on whether the treaty should be ditched or decided on a referendum.

The conference voted overwhelmingly for a pro-government motion that ministers should "continue to build an open and outward-looking Community" as well as an amendment seeking reforms alongside the treaty to end unnecessary interference from Brussels. Lord Tebbit later called the vote "a joke". He maintained that he had been extending the hand of friendship to the prime minister.

Party managers had expected the debate to show up the party's differences, but they were taken aback by the rapturous reception for Lord Tebbit, and the way he milked their acclaim by striding on to the conference floor, arms aloft, like a conquering hero with some of the audience chanting "Norman, Norman". He discomfited the leadership by disclosing that a cabinet minister — it turned out to be Kenneth Clarke, home secretary — had confessed on television that he had not read the treaty. He

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Brighton reports, pages 4, 5

Simon Jenkins and Woodrow Wyatt, page 12

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Lady of the Ism, L&T, page 1



Wave of triumph: Norman Tebbit acknowledges the Euro-sceptics' applause after his passionate speech at the Tory conference. The former party chairman said that the government was in "desperate trouble"

Shares and pound stage a recovery

By Our Business Staff

STERLING and share prices made recoveries yesterday in sharp contrast to the volatile movements on Monday that battered the pound to a new low against the mark, and cleared £19 billion off share values.

Sterling rose by almost six pence, and closed at DM2.4509. The pound remained steady against the dollar, and the Bank of England's trade-weighted index rose by 1.1 to 81.7.

However, currency dealers said that sterling's improvement yesterday was largely a technical correction, and that the market's mood remains cautious.

The FTSE 100 index finished 42.1 higher at 2,488.4

Pound rally, page 17

Serbs curb air force

By Michael Binyon, Diplomatic Editor

AFTER lengthy negotiations in Geneva, the leader of the Bosnian Serbs announced yesterday that his forces would suspend all military flights over Bosnia, a gesture he hoped would make the proposed United Nations air embargo unnecessary.

Radovan Karadzic said after talks with Lord Owen and Cyrus Vance, the European Community and UN peace negotiators, that the Serbian side accepted a ban on military flights as a temporary measure. He insisted, however, on the condition "that the other side does not use this to undertake offensive action". The Foreign Office yesterday welcomed the announcement as an important step which Britain, as hosts of the

Agencies stretched, page 7

Checks start on jumbo jet bolts

By Harven Elliott and Lin Jenkins in Amsterdam

AIRLINES around the world yesterday began examining engine mounting bolts fitted to more than 500 Boeing 747 jumbo jets and which may yield a clue to the cause of the Amsterdam air disaster.

The two three-inch hollow "shear pins" fixing each engine to the main wing spar which are being inspected are designed to break under an impact of around seven tons. Their design should allow the engine to break free from the wing as an aircraft lands with its wheels up or ditches in the sea but strong enough to support the engines during even the most severe mid-air turbulence.

Investigators trying to find out what happened in the El Al crash will want to know whether the bolts had become cracked and had then snapped in mid-air. The number who died when the plane hit an apartment block was yesterday revised down to around 200 after 88 survivors reported to the authorities.

Boeing had advised airlines which operate the 747-100, 200 and 300 series that they should inspect the bolts several weeks ago in case they were found to have failed on the identical China Airlines 747 freighter which crashed in Taiwan last December.

Still they have no evidence to show that they did somehow shear, but the fact that the same two engines broke away from the aircraft which crashed at Amsterdam provides circumstantial evidence that they may be somehow involved and that Boeing maintenance advice has been made mandatory.

The enormous strains put on the bolts — and four other full strength mounting pins — can occasionally cause cracks to appear and they must be

Continued on page 16, col 1

'Too heavy' theory, page 2

Airline of the Year 1992.

In addition to winning the Airline of the Year award for the second year running, we were also voted Best Transatlantic Airline, Best Business Class, Best Long-Haul Airline, Best Inflight Entertainment, Best Airline Ground and Check-in Staff, and Best Food by the readers of Executive Travel Magazine.

For full details of our award-winning flights phone us on 0345 747 747 or see your travel agent.



ON OTHER PAGES

Fake doctor jailed

A former US army paramedic who posed as a doctor to get a job at an Essex hospital was jailed for deception. But Matthew Braffman was cleared of the manslaughter of one of his patients after the Old Bailey was told it was impossible to determine how she died. Page 6

Kuwait poll

Candidates opposing the Emir of Kuwait's family polled more than 70 per cent of the vote to sweep to victory in the country's first election since parliament was dissolved in 1986. Page 10

Elliott dies

The character actor Denholm Elliott has died from an AIDS-related illness at his home in Ibiza. He was 70. Page 3

Clinton leads

Ross Perot's re-entry into the American presidential race has hardly dented Bill Clinton's lead over President Bush. Page 11

Ritz threat

The Ritz Hotel, symbol of luxury in London's West End, may soon be sold by Trafalgar House, which once turned down an offer of £130 million but is now fighting for its independence. Page 17

Leeds date

Leeds United are to play the third leg of their European Cup tie against VfB Stuttgart in Barcelona on Friday. Page 32

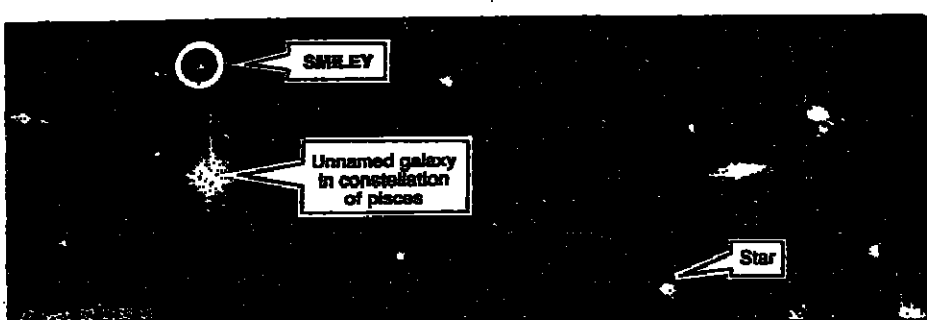
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'Spy in the sky' detected beyond Pluto Smiley's people find new planet



By Nigel Hawkes
Science Editor

ASTRONOMERS have taken the first picture, above, of a new planet lying at the very edge of the solar system.

Reddish in colour and 125 miles across, the new planet may be named Smiley, after George Smiley, hero of the John le Carré spy novels. The two discoverers, David Jewitt and Jane Luu of the University of Hawaii, are le Carré fans and were discussing the character of the elusive Smiley at the telescope when they made the discovery. Since their first observa-

tions at the end of August, the tiny planet has been photographed by astronomers at the European Southern Observatory in La Silla, Chile. They had to wait until after the full Moon in mid-September to produce images of Smiley — officially known as 1992 QB1 — because it is so dim and distant that it cannot be seen when the Moon is full.

The pictures, taken on September 27 and 28, confirm what had been suspected, that QB1 is in orbit around the Sun at a distance of 3,700 million miles. This puts it just outside the orbit of the most distant planet, Pluto, and

means that it takes 262 years to make a complete orbit round the Sun.

Since Pluto was discovered in 1930, no more distant object orbiting the Sun has been found, so astronomers regard QB1 as very important. Because it is so small they do not believe that it is the long-sought tenth planet which some astronomers consider necessary to explain the precise movements of the other nine. The chances are that it is the first member of a new asteroid belt originally

Continued on page 16, col 5

Leading article, page 13

Investigators in Amsterdam search for engine bolts to find out what went wrong

Plane's heavy payload may have caused crash into flats

By HARVEY ELLIOTT, AIR CORRESPONDENT

ACCIDENT investigators are examining whether the Boeing 747 which crashed into a block of Amsterdam flats on Sunday night killing more than 200 people was too heavy to stay in the air once two of its engines had failed. While faults in key engine mounting bolts are thought to be a possible cause, the load may have played a part in the disaster.

Still close to its maximum take-off weight of 351 tons at a height of 5,000ft, the pilot may well have been unable to maintain straight and level flight making the accident inevitable.

The investigators are, however, still faced with a complex riddle of conflicting evidence — and often no evidence at all — as they try to piece together just how it happened. Some pilots even claim that the aircraft should have been able to pull away even though it was more likely to sink slowly downwards, while others insist the crash could not have been avoided.

With little of the aircraft remaining and so far no sign of the flight recorders, the investigation is likely to centre on a minute inspection of the two engines that have been recovered from a lake and the paperwork showing the exact amount of freight and fuel loaded by the crew. The bolts have yet to be recovered.

If the bolts, or any part of them, still remain they may at least go some way towards proving whether a single engine or indeed both engines broke from the wing and so set up a chain of events which led to disaster.

Had they failed as Captain Isaac Fuchs accelerated his jet cargo aircraft away from Amsterdam at the start of its four-and-a-half-hour flight to Israel, the effect could have been catastrophic, although with instruments designed to tell him whether an engine was on fire but none to tell him whether it had dropped off the wing, Captain Fuchs would probably not have realised what had happened.

The inner starboard engine, which he told ground controllers failed first, may have

flipped upwards and backwards over the wing as it was supposed to do or it may have been forced by the gyroscopic effect of its whirling fanblades to the right to smash into the outer starboard engine, causing that to break away too. The chances of the same bolts breaking at the same time in two engines are extremely unlikely.

The investigators also know that he later had problems with his flaps, suggesting that whatever damage the engine had caused, either as it broke up or tore itself free, affected the hydraulic system perhaps causing the leading edge flaps to deploy on one wing and not on the other, so exacerbating his problems.

Whether or not the engines broke free from the wing first, or as a result of a fire, does not necessarily mean that the aircraft was doomed.

The aircraft's weight was just as significant.

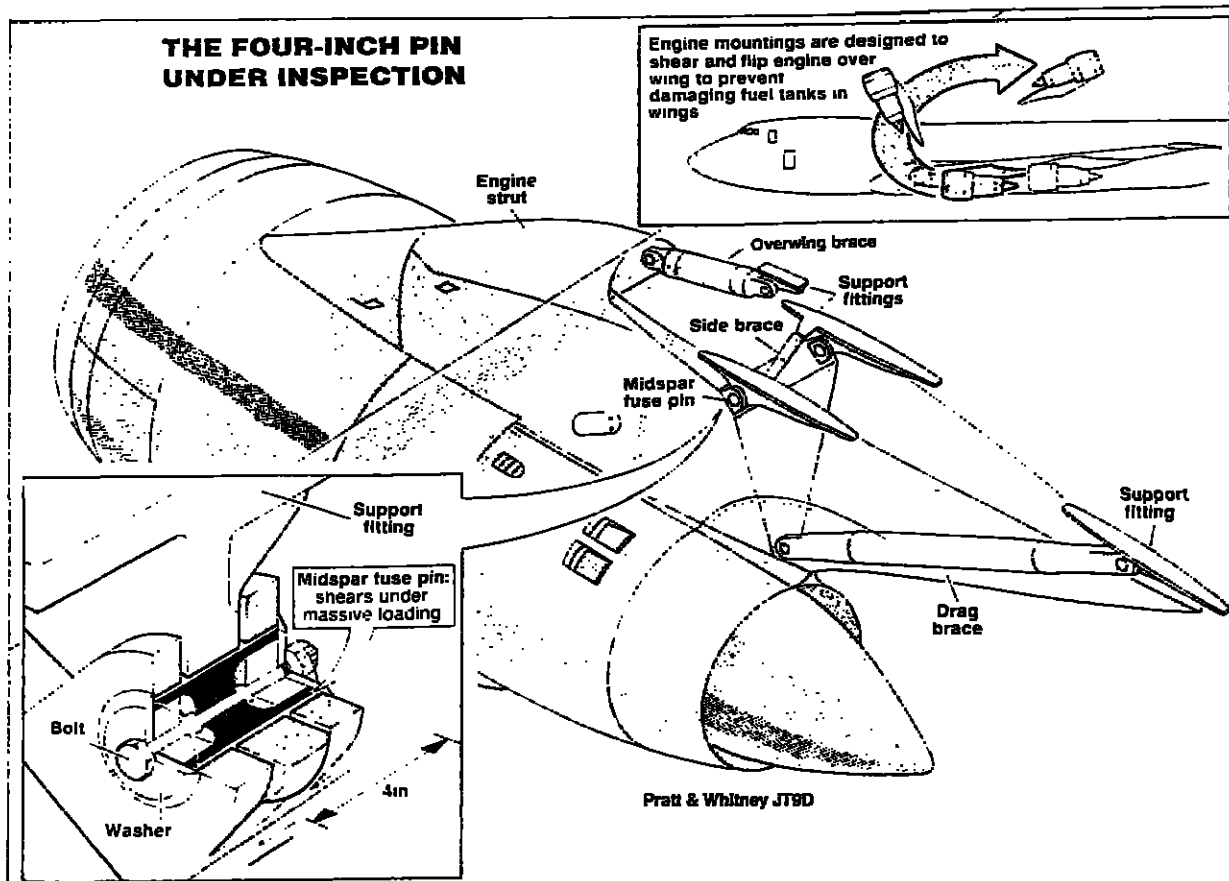
A Boeing 747-200F has a maximum take-off weight of 351 tons. Any heavier and it cannot leave the runway. The aircraft weighed around 175 tons empty and the freight is believed to have weighed 114 tons. Capt Fuchs could not, therefore, have taken on board more than 62 tons of fuel at Amsterdam — sufficient to take him to Tel Aviv burning fuel at the rate of around ten tons an hour and on to any diversion airport together with five per cent for emergencies.

Equally a 747-200 cannot maintain its straight and level flight on two engines if it weighs more than 250 tons. Any heavier and it drifts slowly downwards.

Take off and climb to 5,000 feet would have used up around five tons of fuel and a few more tons would either have been lost through severed fuel pipes or dumped by the flight engineer.

The two engines each weigh almost eight tons and as they fell from the aircraft so the weight would have come down further. It would still, however, have been above the critical level.

Pilots have to undergo regular checks in simulators to ensure that they are capable of



handling a vast array of problems which rarely, if ever occur in flight. Every six months they must be checked out on their ability to take off and land on three engines, an almost routine procedure. About every two years instructors will suddenly "throw in" a second engine failure, sometimes at the worst possible moment as the aircraft is

as low as 500ft from simulated touchdown. This is where the workload becomes, for some, too much. Not only must they instantly calculate their weight, but they must instantly deploy just the right amount of flap, kill the fire and carry out a mind-numbing variety of checks as well as control the aircraft as it powers away to a safe height.

Toll cut as 88 missing residents are traced

By LIN JENKINS

THE estimated death toll in the Amsterdam air crash was revised downwards closer to 200 yesterday after 88 people believed to be missing were traced.

Across the country an official period of mourning began with Ruud Lubbers, the Dutch prime minister, leading a minute's silence in parliament. Flags flew at half mast, aircraft were ordered not to fly over the crash site and television stations agreed not to broadcast airline advertising for the time being. In Amsterdam, the annual lunar fair due to run from October 8-15 was cancelled.

As firemen recovered more bodies, the authorities suggested that the true death figure would never be known.

Some bodies would have been reduced to ashes by the intensity of the blaze as a ruptured gas main fuelled the burning aviation fuel. Many victims were illegal immigrants living with friends and relatives and it is unclear whether their relatives have risked reporting them as missing.

By yesterday evening 14 bodies had been removed from the pile of tangled metal and rubble. Ed van Thijn, mayor of Amsterdam, said

that he still expected the final figure to be above 200. The initial list contained people who had moved, were on holiday or temporarily away.

He estimated that up to 100 of the illegal immigrants who found shelter among the immigrant communities on the estate could be among the dead. He broadcast appeals on television and radio for those who knew of illegal immigrants in the block to put their names on the register.

It was announced yesterday that the two apartment blocks in Bijlmermeer had been made safe enough for recovery work to be speeded up and heavier machinery to be used. The public health department said bodies had to be removed as quickly as possible to reduce the risk of disease.

Arrangements were being made to move the homeless from the Bijlmer sports centre and hotels to more permanent accommodation. Most wanted to remain in the area among their families and friends.

A team of councillors went to the local primary school to help children begin coping with the loss of friends. Others went to the sports centre to talk to survivors.

NEWS IN BRIEF

Three water firms end hosepipe bans

Three water companies announced yesterday that drought restrictions and hosepipe bans affecting more than a million customers in Kent will be lifted from Monday. The restrictions are the first to be dropped following heavy rain in many of the areas which have been affected by drought through four dry winters, but the companies went out of their way to warn customers that at least some of the restrictions were likely to be reimposed next spring.

The companies are Mid Kent Water, serving the Maidstone, Canterbury and Ashford areas, Southern Water Services' Kent division which supplies the Thanet and Medway areas, and Folkestone and Dover Water Services. Graham Satterfield, Southern Water Services' divisional director in Kent, said underground reserves, from which three-quarters of his area's supplies were drawn, were still at an all-time low. "But we are better placed this year to benefit from winter rainfall than we have been for the last four years and the heavy rain has been an encouraging start to the recharging season," he said. Geoff Baldwin, chairman of Mid Kent Water, praised customers for responding "magnificently" to pleas for water economy but said a hosepipe ban would return in the spring unless the winter was exceptionally wet.

Homeless care 'poor'

Britain is among the worst countries in Europe in which to be homeless, according to a report from the European Federation of National Organisations working with the Homeless. It is ranked with the poorer peripheral countries of Europe including Greece, Ireland, Portugal and Spain. In terms of the co-ordinated approach it offers the homeless, although on average 80 per cent of the services for homeless people's basic needs of sleeping and eating are satisfactory, Britain is less successful in reintegrating the homeless back into the community and provides inadequate social and psychological support thereafter than most of its neighbours, the report says.

Holiday health alert

Travel agents were yesterday urged to highlight the dangers of holidays off the beaten track after a man died from a virulent strain of malaria picked up during an African tour. A Sheffield inquest on John Guy, 60, an accountant, was told that in spite of taking a course of anti-malaria drugs he had succumbed to a strain of the illness which has symptoms that make it difficult to diagnose. Last year 11 people died in Britain from the strain, falciparum malaria. Mr Guy died six weeks after returning from a two-week stay in Kenya that included a three-day up-country safari. His GP at first believed he had a chest infection. The coroner recorded a verdict of death from natural causes.

Siege gunman shot

Police marksman shot and injured a man last night after a three-hour siege at the home of his estranged wife at Heathfield, East Sussex. Police sent a dog to tackle the man when he emerged carrying a sawn-off shotgun in each hand. He fired a shot as the dog ran towards him and moments later was hit himself by one of several marksmen who had surrounded the house. The siege began after the gunman took his estranged wife and a man hostage. The woman was later released and was taken into police custody while the siege continued, with shots being fired. The male hostage was said to have been hurt, but not seriously. The gunman was later taken to hospital at Eastbourne.

Prisoner pulls knife

Police and the Home Office yesterday began investigating how a top-security prisoner smuggled ammonia into a police van in an escape attempt that injured nine. Police and Home Office sources identified the man as Anthony Bolden, 28, a high-security inmate at Belmarsh prison, south-east London, since he was captured after an escape in April from a prison van. Yesterday, Bolden, of no fixed address, arrived at Wallington magistrates' court, southwest London, by police van. Although handcuffed to a prison officer, he produced a home-made knife, and seven police and two prison officers were squirted with ammonia before he was restrained. He was remanded in custody to October 19.

Jackson's voice cleared

The world's most valuable vocal cords flew out of Britain on Concorde yesterday after being pronounced free of serious damage by a throat specialist. Michael Jackson, right, is reported to have consulted David Garfield Davies, director of the voice clinic at the Middlesex Hospital, over fears of nodules developing on his vocal cords. Mr Garfield Davies would not confirm he had seen the singer but said: "I shouldn't think he's got anything seriously wrong."



£1m paid for Pitchford

Pitchford Hall, Shropshire, has been sold for an estimated £1 million. The agents, Knight Frank & Rutley and Balfour & Cook, did not reveal the name of the overseas buyer, who will use it as a family home. The buyer is understood to be prepared to continue restoring what is regarded as one of the finest half-timbered frame houses in England. Without government action the present trickle of historic houses coming on to the market could become an unsustainable flood. Angus Stirling, director of the National Trust, said yesterday. He said it was a tragedy that the contents of Pitchford Hall, accumulated over centuries, had been separated from the house.

Tunnel worker killed

A Channel tunnel worker was killed yesterday after being hit by a works train in the service tunnel. The man, who has not been named, is the eighth worker to be killed at the British end of the tunnel project. TML, the contractors for Eurotunnel, said that the Health and Safety Executive had been informed and an investigation was under way. A spokesman said that no further details would be released until the man's next of kin had been informed.

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Two killed in executive jet crash

By NICHOLAS WATT

THE pilot and co-pilot of an executive jet were killed yesterday when their plane crashed and burst into flames after taking off from Prestwick Airport, Strathclyde. The British Aerospace Jetstream flipped over and crashed into the runway. There was nobody else on board.

The 18-seat jet was believed to have been on a test or development flight to East Midlands Airport. It is made at a plant near Prestwick airport, which is used for training because it is quiet and rarely foggy.

David Learmont, of Flight International magazine, said the Jetstream, one of Bae's most successful export earners, had an excellent safety record. It has attracted steady orders from overseas, particularly from regional airlines in America where it is used as a commuter aircraft.

The Jetstream, which first flew in 1967, is a scaled-down airliner aimed at the executive market. When Bae announced redundancies last month its Prestwick factory was one of the few to be spared.

Low sales deepen car industry gloom

By KEVIN EASON, MOTORING CORRESPONDENT

SALES of new cars fell by four per cent last month, putting the motor industry on course for its worst annual performance in ten years.

The decline reversed any hopes that the industry was showing signs that it could recover from a recession that has cost an estimated £6.5 billion in lost sales over the past three years. Instead, companies are revising their forecasts, predicting that sales of new cars could fall to 1.55 million, the lowest total since 1982 and 750,000 less than sales compared with the record year of 1989.

Figures from the Society of Motor Manufacturers and Traders were seized on by union leaders as confirmation that manufacturing industry is struggling to survive the recession. Jimmy Airlie, national official with the Amalgamated Engineering and Electrical Union, said: "The motor industry is the engine of the economy. It has been spluttering for some time but it now appears to have stalled."

The gloom also deepened among manufacturers at the Paris Motor Show hoping that launching new models could put some gloss on the year in spite of the short-time working and redundancies that have been forced on the industry recently. Forecasts suggest that European markets would continue to fall to add to the slump at home.

The fall in September means that sales so far in 1992 are down to 1,297,423, 2.62 per cent below the January to September total for 1991, that was claimed by manufacturers to be the worst slump for 50 years.

Ford, which has 10,000 workers at its two main plants at Dagenham, Essex, and Halewood, Merseyside, on short-time working, saw its market share dropping from 29.36 per cent in September, 1991, to 21.63 per cent.



Airlie: "Engine of the economy has stalled"

Girl tied to railings at school

By JOHN O'LEARY, EDUCATION CORRESPONDENT

COUNCIL officials found a girl tied to playground railings and teachers indifferent to the spectacle when they carried out a routine inspection at Colville School in Notting Hill Gate, west London.

The head teacher, Martin Brown, resigned shortly before a report on the incident reached Kensington and Chelsea council's education and libraries committee.

The inspectors cited the playground incident as an example of continuing disciplinary problems at the primary school. They had been critical of pupils' behaviour and punctuality after an initial visit in November 1991.

Their second report, submitted last month, was a devastating critique of Mr Brown's stewardship. A disciplinary code drawn up by staff had not been implemented systematically, it said. Some lessons lacked professional teaching and care, and 64 of the 272 pupils were late on one day when the school had been urged to improve punctuality.

Mr Brown was accused by the inspectors of failing to solve problems analytically, or anticipating the likely outcomes of a course of action. For example, new playground equipment made it easy for the children to climb over the playground fence.

An acting head is now in charge while a successor to Mr Brown is being sought.

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Dog warden tells court how he survived IRA ambush

By EDWARD GORMAN, IRELAND CORRESPONDENT

A LOCAL council worker told a Dublin court yesterday of his fierce gun battle with an IRA unit in which he killed one of the four men who had set an ambush for him at a remote border farm.

The man, a part-time soldier in the Royal Irish Regiment, explained how he managed to drive the three surviving men off, despite having been shot eight times in his legs.

William Glass, a dog warden with Fermanagh District Council who has served as a part-time corporal with the Royal Irish Regiment (formerly the Ulster Defence Regiment) since 1970, told the Special Criminal Court in Dublin that he had gone to a farm at Scardans Upper near Belleek in Co. Fermanagh on February 5 this year, after receiving a call about a dog.

Mr Glass told the court that before travelling to the farm, which is only 1½ miles from the border with Donegal, he took the precaution of collecting his personal protection weapon, a Walther PS pistol, from his home.

He said he kept the gun cocked under his coat on the front seat of his van. As he arrived at the farm a man wearing a balaclava and a military jacket rushed towards the passenger door shouting: "IRA, get out of the van."

"I immediately picked up my pistol," Mr Glass told Kevin Haugh, SC, for the prosecution. "As I picked it up he must have seen me going for the pistol, for a shot came from him. His shot came through the passenger window and through the windscreen in front of me. I immediately returned fire."

The court had earlier been told that Mr Glass fired at least three times, hitting the IRA man in the chest and killing him.

At this point a second gunman tried to open the driver's door. Mr Glass managed to push the door open himself, forcing his assailant to retreat, firing a shot as he did so. Again the soldier fired back. Mr Glass then spotted a third gunman at the gable end

of the house but ran out of ammunition soon afterwards. He told the court that it was as he was trying to get another magazine from his jacket in the van that the third and fourth gunmen approached him, firing continuously. "They were coming down the yard firing on automatic," he told the court. "At that time I got injuries to my legs. I had seven bullet holes in one leg and one injury in the other one. I returned fire and somebody yelled and ran back."

Mr Glass added that he then heard a retreat command from one of his assailants, three of whom were armed with rifles and one with a pistol.

Mr Glass's account came on the first day of the trial of James Hughes, 27, and Conor O'Neill, 29, both of Dungannon, Co. Tyrone, in Northern Ireland, but with an address at Westport, Ballyshannon, Co. Donegal, in the Republic of Ireland.

Both deny attempting to murder Mr Glass. They also deny shooting at him with intent and having firearms with intent. The men opted for trial in Dublin under the 1976 Criminal Law Jurisdiction Act, which allows suspects to be tried in Ulster or in the Republic for offences committed in either jurisdiction.

The court was earlier told that the two accused were arrested by Irish police shortly after the gun battle, when they were found hiding in a ditch in Co. Donegal. Police later found two AK-47 rifles and a revolver nearby.

Mr Glass, who managed to radio for help from his van once the shooting was over, told the court he spent four months in hospital recovering from his wounds and is still using crutches after several operations on one of his legs.

A Catholic mother of two was recovering in hospital in Belfast yesterday after gunmen fired into her mobile home beside a house she is building with her husband on the outskirts of Lisburn, Co. Antrim. Her husband was hurt, but has been released from hospital. Police think the shooting was sectarian.

Murder case police may be charged

By STEWART TENDLER, CRIME CORRESPONDENT

ELEVEN South Wales police officers may face criminal charges after investigations into police misconduct and the case of two brothers freed earlier this year by the Court of Appeal after being convicted for killing the managers of a Swansea sex shop.

Seven officers are suspended and another four are thought to be retired. Yesterday a spokesman for the Crown Prosecution Service said the last of ten files had been received from Robert Lawrence, the force's chief constable. Barbara Mills QC, the director of public prosecutions, and her staff will decide on any prosecutions in the next few months.

The files were drawn up by detectives from Devon and Cornwall police called in to carry out two investigations. In one, they re-examined the case of Wayne and Paul Darvell, who were given life sentences for the murder of Sandra Phillips. The team later also began investigating allegations involving police notebooks and diaries, which included officers from both South Wales police and Dyfed Powys. Investigations led to the Darvell case being sent back to the Court of Appeal.

During the appeal, the court was told by counsel for the brothers that police evidence had been thoroughly dishonest and built on fraudulently created papers. Notes had not been made contemporaneously, a confession had been refined and re-drafted and a notebook supposedly used by one of the officers in June 1985 was not issued until two months later.

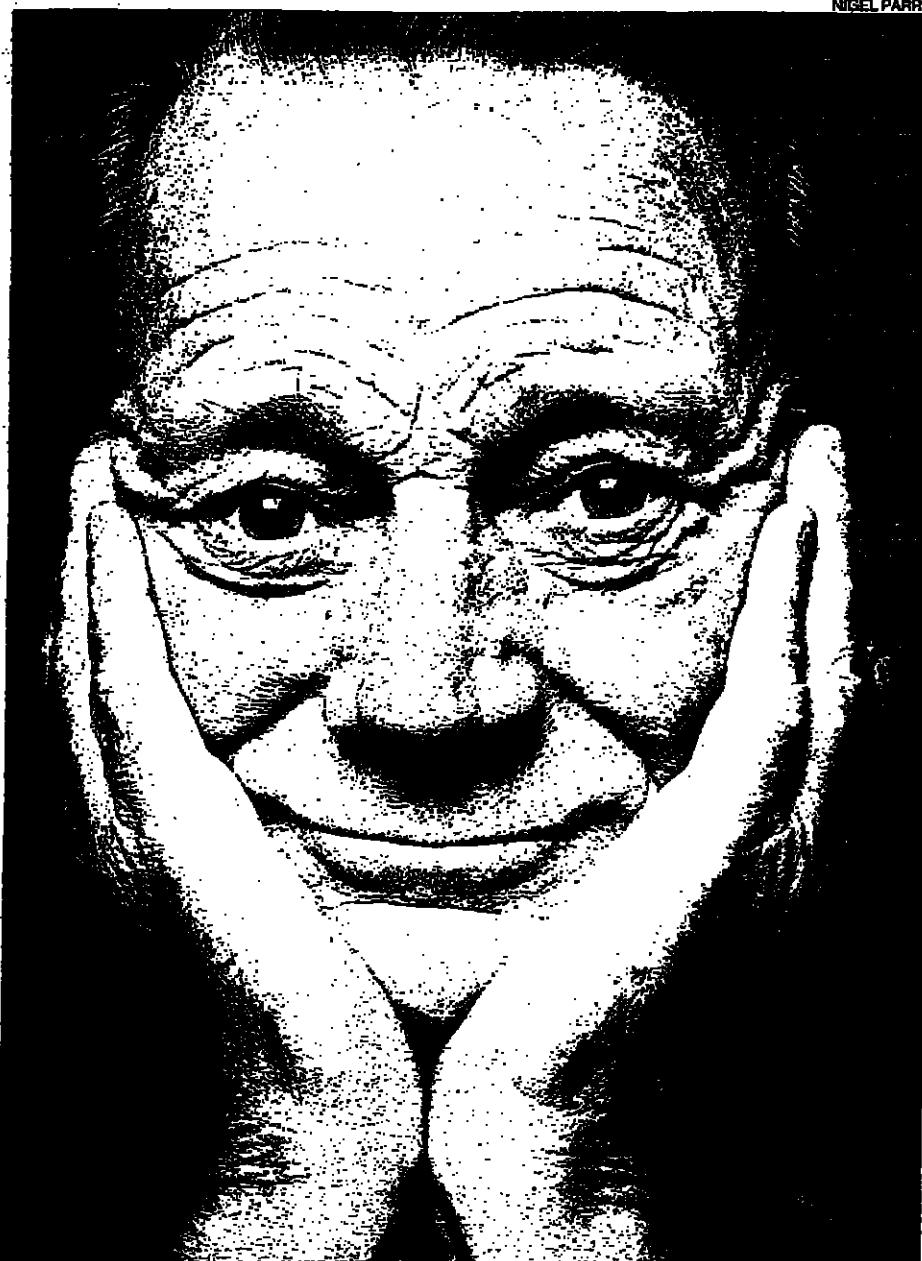
At the hearing, which included an admission from counsel for the DPP that the convictions were no longer safe, the judges were also told that two constables who said they had seen the brothers near the sex shop on the day of the murder were found to be nine miles away at the time. There was also a suspicion that someone may have planted an earring similar to those worn by the dead woman in a

police car in which Wayne Darvell travelled. At least half a dozen officers have been internally disciplined by the South Wales police and some have been fined. Others are awaiting hearings. Three of the seven suspended officers were linked to the Darvell case and the others to the notebook case.

Yesterday Mr Lawrence, the chief constable, said a DPP decision on prosecutions in the Darvell case was not expected for some time.

A BBC Wales reconstruction of the M50 murder case in which Marie Wilkes, aged 22 and seven months pregnant, was killed after her car broke down on the motorway is to be studied by Greater Manchester police re-examining the conviction of Eddie Browning for the murder. Browning, a night club bouncer from Mid-Glamorgan, was sentenced to life imprisonment in 1989, but the programme on regional television last night produced a witness at the murder scene whose evidence ruled out Browning. The witness was never introduced at the trial.

Scene-stealer of the stage and screen dies aged 70



Thoroughly lived-in and profoundly sympathetic: the changing face of Denholm Elliott: top right, with Ann Todd and Nigel Patrick in *The Sound Barrier*; middle, playing the butler to Eddie Murphy in *Trading Places*; as the working-class intellectual Mr Emerson alongside Richard E. Grant in *Room with a View*

By BENEDICT NIGHTINGALE

DENHOLM Elliott, who died yesterday, had one of the most distinctive personalities in British acting. His round, rumpled face seemed to radiate vulnerability. Even when ironed, his clothes somehow managed to look rumpled. His very hair, straggling and dishevelled, signalled helplessness. If a director wanted to cast someone as a dog-eared con-man or a shabby-genteel poet, Denholm Elliott would have been his first and best choice.

He was born in London in 1922, studied at Rada, served in Bomber Command and was a prisoner-of-war in Germany for three years. His early parts on both stage and screen gave little clue of the consummate character actor he was to become. In both *The Sound Barrier* and *The Cruel Sea* he was the quintessential member of the officer class: straight, nice and perhaps a bit dull.

In the 1960s and 1970s the opportunities open to him became more interesting, his range widened and his work deepened. On stage he played Trigorin in *The Seagull*, Vershinin in *The Three Sisters* and the title-roles in

productions of Strindberg's *The Father* and the Royal Shakespeare Company's production of *The Return of A.J. Raffles*. He even turned up in John Mortimer's *Heaven and Hell* as the Devil disguised as an ex-RAF padre.

In recent years, though, Elliott abandoned the theatre for the cinema and television, appearing in movies as different as *Raiders of the Lost Ark*, *Trading Places* (where he was an English butler in the Wilfred Hyde-White tradition), and Merchant-Ivory's adaptations of E.M. Forster's novels. In *Maurice*, he was the bluff family doctor who

refused to believe in the hero's homosexuality, and in *A Room with a View* the genial working-class intellectual, Mr Emerson. He had the skill and professionalism to embody disagreeable people, as witness the cynical, snobbish doctor he played in the film *A Private Function*; but more often his very good humour and lack of pretension made themselves felt.

He was most at home with characters like the political journalist in *Defence of the Realm*: seedy, boozy, thoroughly lived-in, and profoundly sympathetic. Moreover, no actor could have

matched his performance. When it came to blending warmth and dilapidation, Denholm Elliott was unique. Tributes poured in for Elliott yesterday. The actress Virginia McKenna said: "I feel very, very sad for him and his family and particularly his lovely wife. I had no idea he had Aids. The person I am thinking of more than anybody is his wife. It must be terrible for her and their two children."

Sir Peter Ustinov said: "He was a wonderful actor and a very good friend on the occasions that life brought us together." The actor Richard

Briers said his death was a terrible loss to the British acting profession. "He was one of the best actors we have ever produced."

Donald Sinden, who starred alongside Elliott in *The Cruel Sea* and regularly drank with Elliott in the Garrick Club, said: "He was one of the last stars who was a real gentleman. It is a very sad loss."

Glenda Jackson described him as "a wonderful actor and wonderfully wicked to work with — with his anarchic sense of humour".

Diary, page 12

British postman shot by muggers in Florida

Call for holiday advice after US killing

By PETER VICTOR

THE fiancée of the murdered British tourist Keith Thompson arrived back in Britain from Florida yesterday as criticism was levelled at the failure to warn holidaymakers of the dangers they can face abroad.

Ann Sole, who saw muggers kill Mr Thompson in a hotel car park, flew home on a Virgin flight from Orlando. In a statement to the US police she had said that Mr Thompson, 42, a postman from Chelmsford, Essex, was shot after they demanded his wallet and he replied: "No way."

The Consumers' Association said yesterday that travellers needed more personal, street-level advice. "No one is providing that and the people on the spot could be doing so," a spokesman said.

The Foreign Office said it had no specific advice to offer travellers to America. A spokesman said the killing was an isolated incident. "It's not something you can plan for. We would advise people to live to fight another day."

The Association of British Travel Agents circulates Foreign Office warnings to its members. "Our advice from the Foreign Office is that the US is not an unsafe place to travel," a spokesman said.

In cases where people were on fly-drive holidays, like Mr

Thompson, they tended not to be in contact with holiday company representatives. "We advise people when picking up cars to ask the rep which places are dangerous."

In her statement to Orange County police, Miss Sole said they were approached by two men. One produced a gun and demanded money and another ripped a money belt from Allan Robinson-Thorley, who was travelling with them. "I heard them tell Keith to hand over his wallet," Miss Sole said. "He replied, 'No way,' and the man opened fire. Keith wasn't given a chance."

A reward has been posted and police said large teams of detectives were working on the case. Deputy Sheriff Carlos Padilla said yesterday: "I can assure you there will be an arrest soon."

Amanda Cadder, 29, a psychiatric nurse from Swindon, Wiltshire, saw the shooting as she returned from a trip to Disney World and ran to try to help Mr Thompson, who had driven into the car park just ahead of her. "If my husband had not stopped to let him through it could have been us," she said.

She added that holidaymakers should be warned about violence and the lack of police

in Orlando. "On our first day there was a mugging. A few days later two girls were grabbed from the street and raped. Then we were witnesses to this murder the night before we left. I will never go back," she said.

An autopsy has been completed on Mr Thompson's body and it will be flown home in a few days.

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Rachel and Philip Still on their wedding day

Police on alert after woman goes missing

FEARS were growing yesterday for a woman who disappeared after meeting her estranged husband.

Police said a male friend of Rachel Still, 23, heard her husband threaten her during an early morning telephone call. She had been living with the friend in Wiltshire, Cheshire, since her marriage broke up three weeks ago. She

agreed to meet her husband Philip, 28, in Chester on Saturday and phoned her friend that night to say they were talking and she was safe and well.

Police said yesterday a second call was made to the friend at 1.30am on Sunday and he spoke to Rachel and her husband. Nothing has been heard of the couple since.

Payment wrangle deprives children of therapy

By ALISON ROBERTS

THIRTY physically handicapped children are being denied therapy at their special school in south-west London because of a dispute over who should pay the bill and how it should be paid.

The children, many of whom are blind, have a legal entitlement to speech therapy and physiotherapy, but have not received treatment for as much as two years because of a bureaucratic wrangle between the local health authority and the local education authority in Wandsworth. Both authorities say that they cannot afford to pay for the therapy by themselves.

Tony Hudson, headmaster of the school, Linden Lodge, at Putney, said that its governors had made repeated pleas for therapy to be provided.

"Each day without therapy means the children's education is that much retarded," he said.

Paul Ennals, director of education at the Royal National Institute for the Blind, said that since introduction of local financial management, such situations had been occurring across the country and many children were missing out on therapy.

The 30 pupils, who come from throughout southeast England, have been given "statements" of special educational needs by the local education authority (LEA) responsible for their home area. The LEAs have a legal duty to provide the specialist treatment contained in the "statement". However, speech therapy and physiotherapy are classed as non-educational needs.

Wandsworth LEA, which funds Linden Lodge and claws back money

from LEAs covering the children's home addresses, argues that the health authority should be held responsible for the "health" therapies. Richmond, Twickenham and Roehampton health authority, which covers Linden Lodge, says that it cannot afford it. A spokesman complained that Wandsworth LEA had not put meetings to resolve the problem "at the top of their agenda".

Mr Ennals said: "The solution is for the LEA to pay for the services needed and then to invoice the sponsoring authorities. But the system creates a bureaucratic nightmare. It is a scandal that children are not getting the therapy they need and it is one that the government should look at during the course of current legislation."

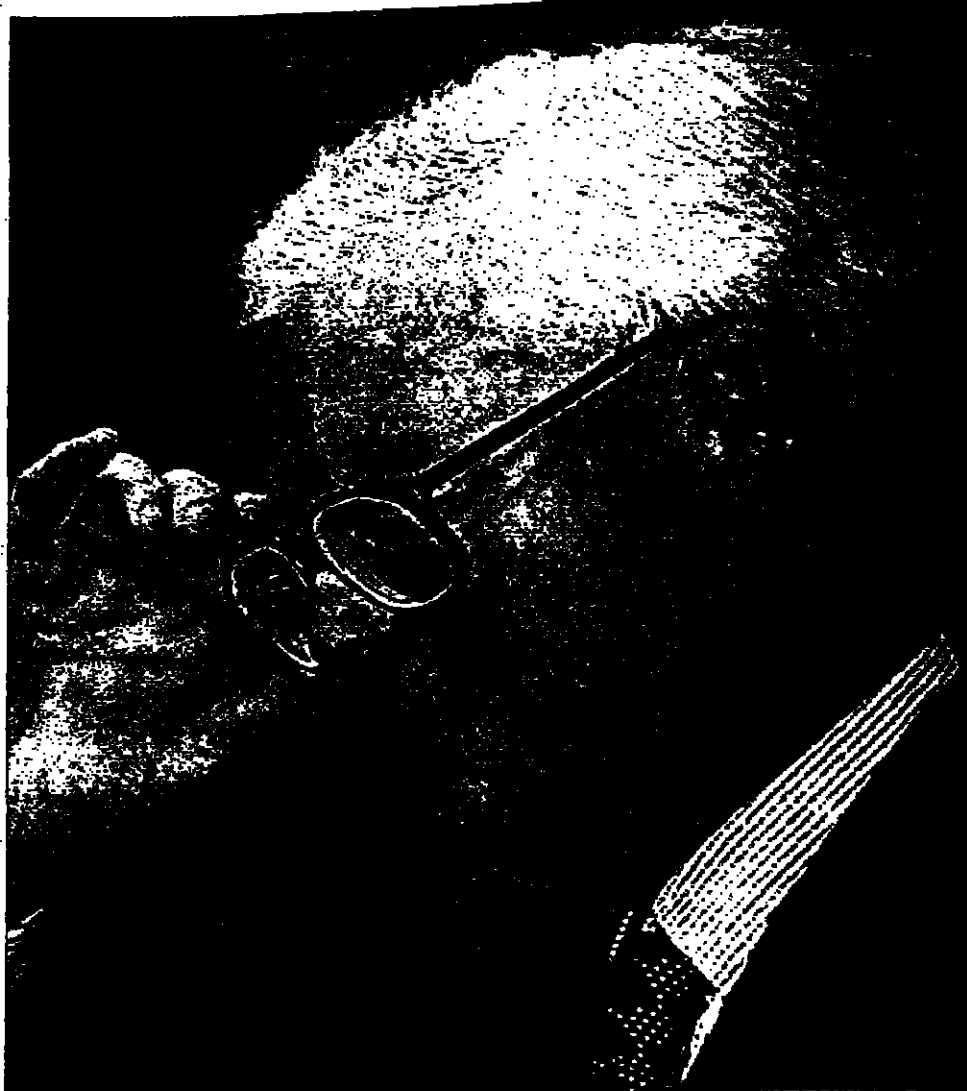
The inaction has angered those with children at Linden Lodge, such

as Maggie Carpenter, whose daughter, Rosa, 11, has partial paralysis and only partial sight, and needs constant physiotherapy to straighten her foot. Unless it is provided to help Rosa get over recent surgery, another operation will be needed.

Mrs Carpenter said: "She has had 21n staples put in from her ankle to her heel and in other bones in her foot and if she does not get physiotherapy it will cause her a lot of trouble. We can stay in Brent, where we live, and get physiotherapy, but then she misses out on education at the school."

The parents feel as though they are being bounced from one authority to another, Mrs Carpenter said.

Mr Hudson said that some pupils were due to leave the school soon without having had necessary treatment.



Caught in the crossfire: John Major appears to offer up a silent prayer for unity as Kenneth Baker, left, put himself at the head of the Conservative Euro-sceptics, while Douglas Hurd, right, tried to calm conference tempers

Noisy debate underlines deep party divisions on Maastricht Tebbit cheered as he scolds Major

By Philip Webster and Nicholas Wood

LORD Tebbit hijacked the Conservative conference yesterday with a speech in which he blamed John Major for entering the exchange-rate mechanism and told him to stand by Norman Lamont, his embattled Chancellor.

Lord Tebbit called on the prime minister to negotiate a new Maastricht treaty that had no mention of economic and monetary union or extra power for Brussels.

His name was cheered when it was announced that he was to be called to the rostrum and representatives stood to applaud as he walked forward. When he had finished speaking he walked into the body of the hall, waving his arms in prolonged cheering.

Throughout a speech in which he had declared that the government was in desperate trouble, a grim-faced Lord Tebbit offered only qualified support for the prime minister, a man he once regarded as his protégé.

The days when Lord Tebbit was a regular caller at 10 Downing Street, offering support and advice and keeping open Mr Major's lines to the right of the party, are long gone. Europe has put paid to all that and Lord Tebbit believes that the prime minister has betrayed the people who put him in power. But that cannot account fully for the sheer venom behind Lord Tebbit's theatrical repudiation of the prime minister.

The former cabinet minister has never been slow to take offence and Mr Major made a grave mistake when what was intended as a light-hearted put-down in the Commons debate on the pound's exit from the ERM. The joke about Norman "biting your ankles even when he is not walking up your pathway" backfired spectacularly yesterday.

After congratulating Mr Major on his election victory, he said he would support him "whenever and wherever you pursue policies to restore our economy, preserve our rights in these issues to manage our affairs for ourselves, in our interests". Lord Tebbit said that the last time he spoke at conference was after "an equally magnificent victory won by Margaret Thatcher".

Alluding to his wife Margaret, paralysed in the Brighton bombing in 1984, he said: "In 1987 I believed that my work in politics was done and for reasons which you will understand, I could decently retire to care for my family. I intended

EUROPE

never to speak at conference again. But speak today I must. The government is in desperate trouble."

With a stony-faced Mr Major looking on, Lord Tebbit said that staunch Tory newspapers were calling for the resignation of Mr Lamont, to follow that of David Mellor as heritage secretary.

"The bolder of the black carrion crows of politics have feasted on the political corpse of one minister, and they are looking for a bigger meal. They want to bring down the Chancellor and thereby to undermine the prime minister himself. These are difficult days, when *The Daily Telegraph* writes in that vein."

Lord Tebbit turned dramatically to Mr Major and said: "I hope you will stand by your Chancellor — it was not Norman Lamont's decision to enter the ERM. He did his best to make the unworkable work. The cost in lost jobs, bankrupt firms, repossessed homes, in the terrible wounds inflicted on industry, has been savage." Sarcastically he added: "But we have established our credentials as good Europeans! Now out of the deusmaket straightjacket, we can pursue policies which are, in the Chancellor's own

words, in our national interest. Not before time!" Lord Tebbit declared, to loud cheers. Since Maastricht "a great tide of opinion has begun to flow against the federalists, not just here but in Denmark, and in France and in Germany, too". There were cheers from all quarters when he said: "This conference wants policies for Britain first, Britain second, and Britain third. Politics, like charity, begins at home."

Rousing the representatives to fever pitch, Lord Tebbit challenged them on whether they wanted to be citizens of a European union, to see a single currency and to have

other countries interfering in Britain's immigration controls. To each question they shouted: "No!"

Lord Tebbit said that Chancellor Kohl and President Mitterrand "no longer speak for Europe". He urged: "John Major can raise the flags of patriots of all the states of Europe. Let's launch the drive for Maastricht II — a treaty with no mention of more power for Brussels, no mention of economic, monetary and political union. It's a task in which I stand ready to join John Major whenever he is ready to begin!"

Representatives cheered for

more than a minute as Lord Tebbit stood among them on the conference floor. Ministers on the platform, including the prime minister, looked on expressionless as the representatives continued to applaud. Lord Tebbit eventually waved his hands to call for calm and took his seat.

Mr Major had dismissed his last eruption as "froth and bubble". Yesterday, the right's most dangerous volcano poured forth molten lava.

Lord Tebbit later denied that he had helped to turn the knife in his already beleaguered party. "Not at all. I have offered a hand of friendship," he said in an interview with BBC television news last night. Lord Tebbit branded the vote on the Maastricht treaty "a joke". He said that the job of the prime minister was to do what the people of his country wanted and not what leaders of other countries wanted.

Asked if he would rather see his party out of power than in a Maastricht Europe, Lord Tebbit said: "The party will stay in power so long as the economy is successful."

Simon Jenkins, *Woodrow Wyatt and Diary*, page 12
Leading articles and Letters, page 13
Lady of the Isin, L&T section, page 1



Party told to 'give madness a miss'

By Ray Clancy and Robert Morgan

DOUGLAS Hurd warned the Conservatives not to tear themselves apart over Europe. "Let us decide to give that madness a miss," the foreign secretary said.

Although a show of hands indicated firm support for government policy, many representatives voted against the platform. At the end of a noisy and hard-hitting debate, punctuated with booing and hissing as well as cheers, plus the odd expletive, Mr Hurd deployed all his diplomatic skills to calm the passions.

"There is a great deal more common ground on Europe than most people would suppose," he said. "We reject a centralised Europe. We reject the idea of a conveyor belt carrying us to a single executive and a single parliament. We want a wider Community. We want to roll back bureaucracy and unnecessary interference from Brussels."

The Maastricht treaty, Mr Hurd said, enshrined the principle of minimum interference. For the first time in 35

years the Community had agreed a signpost away from centralisation.

Mr Hurd who, with the prime minister, is to conclude a hectic round of visits this week to EC capitals to garner support for proposals Britain will put forward at the Birmingham summit to revise the Community, asked the conference to consider what would happen if the government dropped its plans to ratify the treaty. "We would in effect be asking our prime minister to say to his colleagues in Europe: remember that treaty we agreed? ... The one which your press as well as ours hailed as a success for Britain ... We are going to tear it up."

As representatives shouted: "Give us a referendum," Mr Hurd continued: "How could the prime minister expect to carry weight or conviction thereafter? To hissing and jeering he added: "We don't

want — and this, Norman Tebbit, is a British interest — Britain to be on the sidelines when the security and prosperity of Europe are being decided."

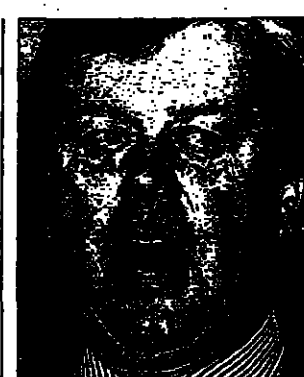
The divisions among the representatives were apparent even before the debate opened, when booing as well as cheers greeted the appearance on the platform of Sir Edward Heath, the former prime minister, who took Britain to the European Community in 1973.

Nicholas Gibbon (London South Inner Euro-constituency), said that since 1979 the Conservative government had been determined to return as much power as possible to the people. Now that this principle was enshrined in the Maastricht treaty for the first time, it was extraordinary that critics should describe it as a move towards a super-state. Mark Bishop (Cambridge-shire), said Britain's best interests were served not by standing aloof from Europe but by being at the heart of it.

Maastricht represented a profound change in the development of the Community because the principle of subsidiarity had now been written into the heart of Europe.

Bernard Juby (Birmingham, Yardley), was loudly cheered when he came out firmly against Maastricht. He said: "King Maastricht is dead. The Danes saw to that. Long live King Birmingham. We must kick the fears of millions of people throughout the Community." Edward Giles (Wight and Hampshire East Euro-constituency), was greeted with cheers as well as shouts of "rubbish" when he said the government was right to go for early ratification of Maastricht.

Steven Conway (Wyre Forest), said that for 500 years or more British men and women had been fighting for sovereignty, democracy and freedom. Some had paid the ultimate price. "Is their sacrifice to be wiped out at the stroke of a pen?"



Clarke attempting to redress the balance

Clarke comes to defence of treaty

By Sheila Gunn, Ray Clancy and Nicholas Wood

AS THE conference fringe echoed to the sound of ministers past and present settling old scores, Kenneth Clarke, who replaced Kenneth Baker as home secretary after the election, said that Margaret Thatcher and Nicholas Ridley were the only two who had fought against ERM entry.

Mr Baker told his fringe meeting that Britain was "well out of the ERM", condemned the government for the "lack of a coherent eco-

nomics policy" and called for an immediate 1 per cent cut in interest rates with a target of 6 per cent within months. He said the pound should be floated indefinitely and that inflation should be kept in check by a combination of 1980s-style monetary targets and public spending cuts.

Mr Clarke said Mr Baker had "never expressed the slightest doubt about what he regarded as a successful negotiation". At a separate fringe meeting last night Mr Clarke tried to redress the balance by strongly defending the treaty as "the most Conservative step" by the Community in 20 years.

The 50,000 voters who led to Denmark's rejection of Maastricht had wrongly believed that Maastricht would lead to greater centralisation. At a luncheon fringe of the Seleson Group, Lord Tebbit accused John Major's government of resorting to "the crudest form of bullying" against the Danes over the Maastricht treaty.

Mocking the treaty he said: "If it looks like a duck, if it walks like a duck, if it quacks like a duck, then in all probability it is a duck."

Later Paul Oakley, from Shrewsbury Young Conservatives, publicly set fire to an EC flag outside the meeting.

Ministers ride out conference storm

RIDDELL IN BLACKPOOL

The Europe debate was electric, passionate and noisy, but probably in itself of little long-term significance. In a singularly vicious presence of loyalty, Norman Tebbit touched the hearts of a sizeable minority of party workers. But at the end of the day, Douglas Hurd won the minds, and votes, of a majority.

Lord Tebbit's performance was memorable. Rarely has a former party chairman and cabinet minister turned on his former colleagues with such brutality. He said, almost in passing, that the government was in "desperate trouble." Every pledge of support was accompanied by the siletto, to the evident fury of the platform. Whenever Lord Tebbit roused the conference he made John Major look ineffective and helpless. But by slipping into demagoguery and pandering to the cheers of the crowd as he left the rostrum, as if he was a challenger and leader in waiting, Lord Tebbit has forfeited any real influence. The self-proclaimed man of the people is now just an armoured outsider.

The debate was by far the most bitter seen at a Tory conference for many years, certainly since the arguments of the wets and dries in the early 1980s, and the divisions over Rhodesian sanctions of the 1970s. The jeering was reminiscent of the heckling of Harold Macmillan by the Empire Loyalists in the late 1950s. Whenever the face of a prominent pro-European like Sir Edward Heath or Michael Heseltine appeared on the conference television monitors, there was loud booing. However, the liveliness of yesterday, when opposing views were fully aired, contrasts with the blandness of last week's Labour conference debate on Europe.

Mr Hurd jokingly compared his task yesterday with his time as home secretary when he had to face the annual law and order debate at the Tory conference. Europe has almost replaced hanging as the issue which raises the passions and the blood pressure of Tory representatives. And the result is likely to be similar.

Just as there has never been any serious possibility for 20 years that capital punishment will be restored, so the government's Maastricht strategy survived yesterday, battered but still more or less intact.

Talking to the leading Euro-sceptics, I was struck by their sense of futility, steeling themselves to fight a battle that they know, for all their strong words, they will lose. Even the calls yesterday for a referendum were largely a ritual.

The conversion of Kenneth Baker to the anti-Maastricht cause guarantees him prominence in the coming battles as the most eminent of those still in the Commons opposed to the treaty. But Mr Baker's new allies are wary of his sudden shift, and his former cabinet colleagues are openly contemptuous in view of his effusive support for the

Major/Hurd line over Maastricht last December. But Mr Hurd faced up to the challenge. He struck home with his explicit warning that the party could break itself over Europe, as it had done over the Corn Laws and tariff reform, when it shut itself out of power for ten years in each case. The Tory tribe may be restless but it understands the risk that continued divisions could mean a loss of office.

Mr Hurd's core case was that Britain had won important concessions at Maastricht: "now is not the time to kick over the table." He directly took on Lord Tebbit over the definition of British interests: "We don't want Britain to be on the sidelines when the security and prosperity of Europe are being decided." The opponents of Maastricht had no alternative strategy to offer.

However, yesterday's debate was obviously a warning to Mr Major. The party remains deeply divided over Europe and the wounds will not heal easily or quickly. If the treaty fails to be ratified by Parliament, then Mr Major and Mr Hurd will also fail. But the chances are still high that the treaty will be ratified, even if it does require Labour and Liberal Democrat votes.

This is not, however, the first time the Tories have been split on Europe. They have been divided on the issue ever since the initial application to join by the EC 30 years ago. And a similarly sized group of Tory dissidents opposed the original legislation on entry to the EC in 1971-2.

Mr Major's own personal position remains secure. He did, after all, lead the party to a general election victory only six months ago. And his Euro-sceptic critics have no incentive to oust him since likely successors in Downing Street, such as Kenneth Clarke and Mr Heseltine, are even more on the pro-EC wing of the party.

Yesterday's protest was about much more than the Maastricht treaty. It concerned the recession and the whole direction of the party and the government since the ousting nearly two years ago of Baroness Thatcher, whose name was loudly cheered at each mention. Lord Tebbit's challenge may soon fade but the worries he articulated will not disappear so quickly.

There is evident unease at the confusion and uncertainty since sterling was forced out of the exchange rate mechanism on September 16. MPs and representatives alike are worried about the appearance of drift. The government's real difficulty is the lack of a coherent economic strategy. Yesterday's debate over Europe was a lightning rod for these frustrations and a prelude to equally searching tests for Norman Lamont tomorrow and Mr Major on Friday.

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Baker returns from exile to find a new starring role

By Nicholas Wood
POLITICAL CORRESPONDENT

KENNETH Baker chose a cinema yesterday to make his comeback to the political stage. The Brighton Odeon was an appropriate setting for a man who never dodged the limelight in his 11 years in government. It also gave him the chance to slip the knife into some old friends.

He began by reminding his audience of what they were missing: *Fatal Attraction* —

Sir Geoffrey Howe's love affair with the ERM; *Basic Instinct* — Norman Lamont's refusal to resign; *A League of their Own* — Thatcher, Ridley and Parkinson.

For the first time in six months, the former home secretary, who left the cabinet after the election, was enjoying himself as he set out the reasons why he would vote against Maastricht.

Mr Baker was a late convert to Thatcherism. A restless and ambitious figure, he was fated never to stay in the same place for very long.

Despite this, by the late 1980s as the question of the succession to Mrs Thatcher came to dominate Westminster gossip, Mr Baker was being mentioned as a possible future leader.

As his own star waned amid the shadows that gathered around Mrs Thatcher's last days, he stayed loyal to the last,

however. Senior ministers close to John Major never forgave him. After a brief and unhappy spell as home secretary, he surprised no one by leaving the government after Mr Major's victory earlier this year.

Yesterday, Mr Baker openly applied for the vacancy as leader of the Tory European dissidents on the back benches. As the only former cabinet minister of any weight in the Commons, the job would appear to be his for the asking.

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Town halls are told to curb spending

BY NICHOLAS WOOD AND ROBERT MORGAN

LOCAL authorities will have to tighten their belts next year, John Redwood, the local government minister, said yesterday in a further sign of the severity of the public spending round.

Brushing aside demands from the constituencies for more money to ease the introduction of the council tax, Mr Redwood urged councils to intensify their efforts to secure greater value for money.

Savings from contracting out services to the private sector could help to offset the spending squeeze, he said. Average council spending of £2,000 an adult left plenty of room for economies.

"Many of you in local

COUNCIL TAX

government have told me that your permitted spending levels are too low and the capping limits are unrealistic," he said. "Next year is not going to be easy financially."

"It's a year when the Conservative virtues of efficiency and better value for money will be much needed. I know you will support me in delivering them."

Rank and file unease about the replacement of the poll tax with the council tax in April surfaced repeatedly during the local government debate. Eric Ollerenshaw, of Hackney and

Stoke Newington, said that it was important not to repeat the mistakes made with the introduction of the community charge.

"We have to get local government finances right," he said. "We must not allow local authorities to cover massive increases in spending while this tax is introduced."

Elgar Jenkins, from Bath, said that the community charge had been unpopular because central government had provided insufficient money to keep bills at a reasonable level.

There had to be sufficient money this time so that people were not suddenly faced with huge upsurges in their personal taxation.

Mr Redwood said later that a scheme to protect people penalised by the switch from the poll tax to the property-based council tax would be an important feature of the new system. "There will be a pledge about limiting the increase in bills in the year of introduction and probably beyond."

One of the biggest cheers of the debate went to Andrew Boff, leader of Hillingdon council in west London, who confessed to a personal liking for the poll tax.

Mr Boff reminded Conservative councillors that they had pressed for a local tax system that took into account ability to pay, was easy to collect and had the accountability of the community charge without the headaches. The government had provided it, he said.

"You want this system to be sold to the electorate on the doorstep. You do it yourself," Mr Boff said.

Mr Redwood delighted representatives by promising them that the review of the structure of local government would lead to the restoration of historic county boundaries where that was the wish of local people.

"Somerset, Herefordshire, Rutland, the Ridings of Yorkshire — if you want your past to become your future, say so and your wish can be granted."



Cut off: Robert Key, junior heritage minister, contemplates a once-glorious institution with an uncertain future... Brighton pier

£1bn civil service tasks to be open for bidding

BY SHEILA GUNN AND RAY CLANCY

PRIVATE firms will be allowed to bid for tens of thousands of civil servants' jobs as part of a Whitehall "revolution", William Waldegrave, the public service minister, disclosed yesterday.

He is to open to market competition work worth more than £1 billion, including secretarial, accounting and legal services, to see whether private operators can do it more cheaply. The initiative to privatise more central government jobs follows the opening of similar local government services to private operators.

Mr Waldegrave will also publish a citizen's charter white paper within the next month setting tougher standards for public service.

Mr Waldegrave, speaking at the Conservative conference, said: "We cannot ever be complacent about how we are serving the public. All over Whitehall we are testing our own services to see whether the private sector could do them better. Sometimes it can, sometimes it can't. We need to know. This year, over a billion pounds' worth of services will

WHITEHALL

be market-tested as opposed to £25 million this year."

Many contracts could be won by in-house teams if they matched offers from private firms, Mr Waldegrave said.

In a largely low-key debate on the citizen's charter, Mark Francois, a councillor from Basildon, roused activists by insisting that the Union Jack would fly again over the Labour strongholds of Newham, Lambeth, Islington, Camden and Southwark, when the Tories took control. He punched the air, glorying in the Tories winning Basildon council for the first time in 21 years, and described how its budget had been cut by £5 million in three months.

The only speaker against the motion, Kay Twitten, an Essex county councillor, said that it failed to address the growing problem of banks and building societies giving unsecured credit to young people. Ministers should "get tough with financial institutions", she said.

Tories face hostile, run-down host town

Once-prosperous Brighton blames its guests for its misfortunes, write Arthur Leathley and Ray Clancy

TORIES came into direct conflict with their Brighton hosts yesterday as John Major was accused of bringing new levels of homelessness and poverty to the seaside resort.

The party's first visit to the town under Mr Major made an inauspicious start when Gill Sweeting, Brighton's Labour mayor, took the unprecedented step of using her welcoming speech to condemn government policy.

Inviting ministers to tour Brighton's homes, hostels and advice centres, she warned them: "You will not see a nation at ease with itself, nor will you see the classless society which the prime minister has said he wishes to create."

"You do have the power to help reduce the fear of unemployment and the horrors of mortgage repossession and homelessness. Please use it."

Mrs Sweeting's complaints, received with boos and hisses by Tory members, were matched by harsh criticism

from the town's *Evening Argus* newspaper, which has launched a conference week crusade to highlight the problems of the once prosperous town.

The newspaper has bitterly condemned the contrast between the opulence of the hotel in which leading Tories are staying and the boarded-up shops, run-down streets and homelessness of the surrounding area. A front-page editorial proclaimed: "Brighton, Hove and Hastings are now experiencing the sort of deprivation and social upheaval once found only in the land of closed coalpits and empty cotton mills."

Churchill Square, a faded 1960s shopping precinct within 400 yards of the conference centre, is a depressing contrast to the celebrated

seafront elegance. More than 20 shops are boarded up and retailers and shoppers see little likelihood of improvement.

In five years, John Garnsey has seen his *Slims* healthfood restaurant slip from being a prosperous business to becoming worthless. "Then it was worth about £80,000. Now people would laugh if I tried to give it away," he said.

Like several other businesses, however, he apportioned much blame to the lack of council spending, poor car parking and the movement of large supermarkets to out-of-town locations. A manager of a leading national retailer said: "It would be foolish to say this is all down to the government. We are having a tough time because of the recession but we are not

helped by the lack of effort in promoting the town."

In the midst of attacks from outside, Tory activists were also concentrating their attention on John Major, relying on him to deliver a leader's speech of Thatcher-esque power and authority to calm party nerves and raise morale.

Rank and file members showed unusual trepidation yesterday as many admitted they were looking almost exclusively to the prime minister and Norman Lamont to restore battered confidence through rousing addresses.

Although members express total confidence in Mr Major's leadership, there is widespread concern that he has not taken a sufficiently positive stand in controlling dissenters within the party.

"John Major and Norman Lamont are very much on trial. It is absolutely vital that they show very firm leadership. They can't fudge the issues," said Richard Booth, from Morley and Leeds South.

Shepherd is worried

GILLIAN Shepherd, the employment secretary, admitted yesterday that she was "extremely concerned" at Britain's rising unemployment (Julia Llewellyn Smith writes).

She promised to highlight unemployment in her speech to the conference this week and said the thousands of redundancies announced over the past two weeks had been "devastating" for those affected. She refused to deny speculation that she will abolish wage councils, which set minimum pay rates for 2.5 million workers.

Mrs Shepherd was speaking at the launch of a European-wide public service broadcast giving advice on finding work in the EC. The initiative, to help the EC's 16 million unemployed, will be broadcast in 12 European countries. Radio One is sponsoring 100 telephone lines, manned by 600 employment and training specialists, to give free careers advice.

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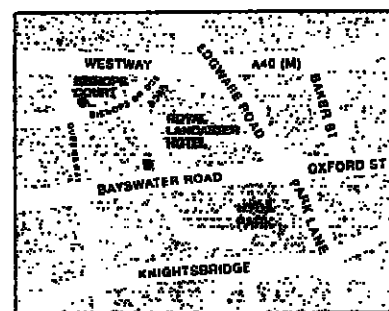


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Judge attacks GMC over bogus doctor cleared of killing

BY TIM JONES

A JUDGE yesterday criticised the General Medical Council and a health authority as he jailed a bogus doctor prosecuted after the death of an elderly woman.

Passing a total sentence of three and a half years on Matthew Brafman, 33, a former US Army paramedic said by a psychiatrist to be suffering from a Walter Mitty syndrome, Judge Verney, Recorder of London, said: "It is

difficult to assess how much damage might have been done by what you carried out." He criticised the way Brafman was able to deceive the GMC and hospital authorities with fake documents and references. "How you did obtain that employment is a matter of some concern — but that is for others to investigate," he said.

The judge had directed an Old Bailey jury to return a not

guilty verdict on a manslaughter charge that the American had denied. After legal submissions at the end of the prosecution case, the judge said that doctors called by the Crown disagreed on why Jessie Harris, 78, died.

The prosecution had said that Brafman tricked his way into getting a job at St George's Hospital at Hornchurch, Essex, and allegedly killed Mrs Harris through lack of care while duty doctor at the hospital. Her body was cremated, making it impossible to determine the cause of death.

Professor Brian Livesley, a geriatric expert, had said that an insulin injection ordered by Brafman without examining Mrs Harris was "as certain a cause of death as if a knife had been stuck into her". Brafman's superior disagreed. Another doctor thought insulin was inappropriate but irrelevant to the cause of death and yet another thought that she had died of septicaemia.

Judge Verney said: "There remains a vast area of doubt in this case, and it remains wrong in my judgment for the case to go ahead."

Brafman, of Ilford, east London, was jailed for charges he admitted in the absence of the jury of using false medical registration documents, gaining pecuniary advantage by posing as a doctor and making a false death certificate for Mrs Harris.

His wife Alison, 30, was placed on probation for two years for aiding and abetting him in forging the documents. The couple kissed in the dock before Brafman was led to the cells.

Brian Barker, QC, for the prosecution, had said that Mrs Harris, admitted after a fall at her home, "should have left hospital alive, well and recovered after a few days' treatment".

Mr Barker said that Brafman was "bogus, he was a sham, he was an impostor masquerading as a qualified doctor". He liked to walk through the hospital in green operating theatre kit, even though the hospital did not have a theatre.



Top woman: Lesley Woodward, 35, a nurse from Hesse, Humberside, shown with her daughter Sarah, 5, received Good Housekeeping magazine's Woman of the Nineties award in London yesterday. She works with breast cancer patients for Hull health authority



Impostor: Brafman treated Jessie Harris, right

Checks that failed to uncover a fraud

BY TIM JONES

WHEN he was finally exposed as a sham, Matthew Brafman expressed amazement that he had ever been accepted as a doctor when a single telephone call could have exposed him.

Barking, Havering and Brentwood health authority said yesterday that it took persistent enquiries by them to the General Medical Council to confirm suspicions that he was not a qualified doctor.

In order to get his job as a senior house officer at St George's Hospital, Brafman, who was dyslexic and could not spell, was helped by his wife in forging qualification certificates from a non-existent medical school in Alabama using forms available at any US newspaper.

The former US army paramedic obtained his registration by posting a notarised

photocopy of a forged medical degree, even though General Medical Council regulations say applicants should produce original documents only. The council required no proof of identity other than a signed statement that the facts were correct.

Brafman aroused suspicion within two days of starting work in the accident and emergency department of Oldchurch Hospital, Romford, but when staff contacted the council's overseas registration department to ask for urgent checks they were told: "Everything is in order. He can carry on."

While serving at an army hospital in Alabama, Brafman forged four references, none of which were checked by the council.

Police who investigated the case claimed that the council had "failed miserably" to protect the public.

Teachers anger Muslims by opposing school grants

BY MATTHEW D'ANCONA, EDUCATION CORRESPONDENT

MUSLIM leaders said yesterday that they were amazed and upset by the opposition of Britain's second largest teaching union to government plans to give state funding to Muslim education.

The National Association of Schoolmasters/Union of Women Teachers has warned John Patten, the education secretary, that the proposal is a recipe for religious strife that could destabilise local communities.

It said in its response to the white paper on education that the invitation to community groups to set up grant-maintained voluntary schools threatened to upset "the delicate and historic compromise that was reached over religious schools in 1944".

The white paper's proposal

has been widely interpreted as a relaxation of the government's opposition to Muslim schools in the wake of concerted lobbying by Islamic groups.

Mr Patten was instructed by the courts in May to reconsider an application by a private Muslim school in Brent, north London, to become state funded. Similar applications from fee-paying Islamic schools to the education department are now expected.

Nigel de Gruchy, the union's general secretary, said that the white paper's proposal was potentially dangerous and totally unnecessary.

"When Catholic, Church of England and Jewish communities have their voluntary aided schools, it is obviously difficult, if not impossible, to resist the demands of other religious groups. However, we do not subscribe to the union's view. They don't want to see other communities availing themselves of this right," he said.

Ghulam Sarwar, director of the Muslim Educational Trust, said that the union's objections were extraordinary. "We think the white paper is making a positive proposal, extending the right of other communities to set up grant-maintained schools and we do not subscribe to the union's view. They don't want to see other communities availing themselves of this right," he said.

There were unlikely to be many Islamic grant-maintained schools, given that only 22 private Muslim schools had been set up in England.

The Muslim "parliament", which has threatened a campaign of civil disobedience to force state funding of Muslim schools, said the union had illustrated the deep-seated animosity that existed towards Islam.

"We would have expected teachers to have been understanding because they are the ones who deal with the child-

ren all the time," a spokesman said.

The union's submission to the white paper consultation, to be launched today at a Conservative party conference fringe meeting, also said that schools opting out of council control to gain more autonomy had been misled by the government, which was now planning a new centralised bureaucracy. The proposal that local authorities co-operated with the new national funding agency for schools was "bizarre and beyond belief", it said.

Libraries at the former polytechnics spent an average of

£23 per student in 1990 compared with £44 by universities, according to a survey by the Council of Academic and Professional Publishers. Spending ranged from £12.59 at Birmingham Polytechnic, now the University of Central England, to £96.81 at Oxford University and £98.25 at the London Business School.

Book expenditure per student fell by 32 per cent at traditional universities between 1978 and 1990 and by 56 per cent at the former polytechnics. Expenditure on periodicals also fell dramatically, by 36 per cent at the traditional universities and by nearly 51 per cent in the old polytechnics.



De Gruchy: danger of pressures on society

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Legal aid 'franchise' mooted for solicitors

BY FRANCES GIBBS
LEGAL AFFAIRS
CORRESPONDENT

PLANS are being drawn up for a radical overhaul of the legal aid scheme under which solicitors would, like budget-holding GPs, undertake legal aid work on contracts under strict quality controls and with pay incentives.

The proposals by the Legal Aid Board will be put to the Law Society this week. They envisage all legal aid work, including criminal legal aid, and the duty solicitor schemes, being brought under strict quality controls. In return, solicitors will have greater freedom to operate legal aid budgets and be paid more quickly. There might also be different levels of reward to match a firm's level of compliance with the quality controls.

As in doctors' practices, the board also envisages block funding of legal aid work where firms process a large volume of cases, with control based on audit principles. The proposals go much further than a pilot scheme in Birmingham, where quality controls operated by the Legal Aid Board only apply to monitoring firms' work as it goes through the legal aid area offices. Now the board is devising ways of monitoring solicitors' work in their offices.

The Lord Chancellor, who will be asked to approve the proposals after details have been hammered out with the Law Society, endorses the principle of contracting out.

At a time when the profession is already locked in a dispute with the Lord Chancellor's Department over a new scheme of fixed fees for legal aid work in magistrates' courts, the franchising proposals are certain to provide the basis for a new dispute between the profession and the government.

NEWS IN BRIEF

Rusting 'eyesore' is listed

A rusting "eyesore" was listed as a national monument by civil servants yesterday because, they said, the 110-year-old gas-holder in Cardiff bears the hallmarks of the fifteenth-century architect Filippo Brunelleschi, designer of the domes of Florence.

British Gas said it was surprised by the decision and added that it would cost £400,000 to repair the 150ft-high derelict gasometer.

Residents said it spoiled the view of the Bristol Channel from Groganstown. Huw Barry, 36, a shopkeeper, said: "It is incredibly ugly, neither use nor ornament." Peter Perkins, leader of South Glamorgan council, said the gasometer should be demolished because it was deterring potential investors in the area and driving away new jobs.

Murder hunt

A murder hunt was launched after a man was found battered to death in Sherwood Forest, Nottinghamshire, Kevin Coniam, 36, unemployed, of Church Warsop, Nottinghamshire, was slumped on the rear seat of his Volvo near the A6075 between Mansfield and Edwinstowe.

Reward offer

A reward of more than £10,000 has been offered for information leading to the conviction of thieves who stole £10 million of antiques from Houghton Hall near King's Lynn, Norfolk, the loss adjusters announced. The property must also be returned in good condition.

Lakes decision

The Lake District special planning board rejected an application by British Nuclear Fuels Limited for a borehole at Gosforth in the national park in connection with a proposed underground nuclear repository at Sellafield, Cumbria.

Rail vandals

A train travelling at 70mph struck concrete slabs left by vandals on the Northampton to Euston line at Milton Keynes, Buckinghamshire. Nobody was injured and the train was undamaged.

Arms amnesty

Three hand grenades were among 476 weapons handed in at police stations during a weapons amnesty in Greater Manchester. Two dated from the second world war and one was a modern Eastern European grenade.

River enquiry

The National Rivers Authority launched an investigation after hundreds of fishermen complained of raw sewage in the River Kennet, near the mouth of Foundry Brook, Reading, Berkshire.

Thief repents

A thief who stole a cherub from a National Trust building in York 20 years ago, when he was a boy, has returned it with an anonymous letter of apology. Nobody at the Treasurer's House knew that the figure, taken from a wall clock, was missing.

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Yeltsin turns military screws on Georgia as rebels sweep forward

FROM BRUCE CLARK IN MOSCOW

GEORGIA suffered a defeat yesterday as separatist rebels sent its forces fleeing from their last remaining strongholds in the far northwest of the country.

At the same time, Russia, which is accused by Georgia of fomenting the rebellion, said it would strengthen its military presence in the Black Sea republic and secure control of a strategic railway line.

The advance by fighters from the Abkhazian minority, backed by Cossack and Muslim volunteers from southern Russia, meant that Georgia had lost control of virtually all its coastline north of Sukhumi, the regional capital.

Rebel forces rolled through the villages of Gantiadi and Leselidze in armoured cars as hundreds of fighters, includ-



ing the Georgian forces young commander, Gia Karasvili, and thousands of civilians took flight.

The setback presents Eduard Shevardnadze, the former Soviet foreign minister, with the most acute challenge since he took power in his homeland last March. It comes five days before elections which he has been

hoping will legitimise his rule. If he can act quickly to convince Georgians that he is the man to reverse the country's military retreat, he could ride to victory. If not, his position could be vulnerable to a challenge from the military commanders on whose backs he rode to power — notably Tengiz Kitovani, the defence minister. Supporters of ex-President Gamsakhurdia could reassert themselves.

Mr Shevardnadze's dilemma was sharpened by comments from President Yeltsin which seemed calculated to appease the pro-Abkhazian lobby in the Russian parliament and anger Georgians. After pledging that Russia would not tolerate violations of the human rights of its kith and kin, he singled out the Baltic states and "Abkhazia and Georgia" as places where such abuses were taking place.

The implication that Abkhazia, which under the Soviet system was an "autonomous republic" enjoying limited self-rule, and Georgia are separate places will enrage Tbilisi. Mr Yeltsin twisted the knife by saying that, far from withdrawing its forces from Georgia, as some Georgian officials are demanding, Russia was actually increasing its military presence there.

"We are not pulling out our contingent, because it is necessary for us to take under control the railway line from the Russian-Abkhazian border to the Abkhazian-Georgian border," he said, again appearing to question Georgia's jurisdiction over Abkhazia. Mr Yeltsin said he hoped to meet Mr Shevardnadze, and Vladislav Ardzimba, the Abkhazian leader, as well as other politicians from the region, somewhere in the conflict zone next week. However, it could be embarrassing for the Georgian leader to attend such a meeting at a time when anti-Russian sentiment is sweeping through the republic.

Balkan aid agencies battling to cope

FROM ADAM LEBOR IN ZAGREB AND TIM JUDAH IN BELGRADE

THE growing human misery in the former Yugoslav republics is overwhelming the efforts of aid agencies. Officials say they will need to provide 1.9 million people with food and shelter if they are to avoid a lingering death from cold and hunger.

Ron Redmond, spokesman for the UN High Commissioner for Refugees in Geneva, said: "It is hard to imagine that hundreds of thousands of people could die in the heart of Europe, but this could happen if the international community does not respond quickly enough. This is a race against time and at the moment we are losing."

The United Nations says it needs overall \$1,025 million (\$596 million) to fund its relief efforts until April 1993. The UN High Commissioner for

Refugees says it has so far only received \$184 million of the \$282 million it needs just for priority needs. This lack of funds means the organisation cannot buy the equipment to get the relief aid through.

The Yugoslav armed forces, meanwhile, said yesterday that they would retreat from the strategic Prevlaka peninsula in southern Croatia. The announcement was made as nationalists argued that, if the strategic headland is given up, the Croats will control access to the only significant remaining natural harbour in the former Yugoslavia.

Franjo Tudjman, the Croatian president, agreed to the demilitarisation of Prevlaka under UN supervision, when he met his Yugoslav counterpart, Dobrica Cosic, in Geneva last week.



Romany riches: a gaily printed dress with black belt brings a gypsy look to the ready-to-wear spring and summer collection from Byblos in Milan

Jail guards shoot down minister's escape plan

FROM CHARLES BRENNER IN PARIS

MICHEL Vauzelle, the French justice minister, may have been watching too many thriller films, at least according to the prison guards' union. He provoked mockery and outrage from the officers after he suggested yesterday that they shoot at helicopters being used to spring prisoners from jail.

His idea came after three prisoners were flown out of Bois d'Arcy prison, near Paris, on Sunday in the fourth such escape involving helicopters since July. In all of them, accomplices of the prisoners chartered the aircraft for sightseeing or photography and then put a gun to the pilot's head and ordered him to fly to the nearest prison.

In one attempt last month, the guards at Saint-Maur prison shot dead an inmate as he was being hoisted out of the exercise yard. Their bullets struck the helicopter, wounding the pilot and forcing down the craft. On Sunday, M Vauzelle was angered that, despite government orders to airfields to check identities of passengers and search their baggage, a company at St Cyr L'Ecole, on the western edge of Paris, was fooled by a known gangster posing as a flying enthusiast.

The passenger forced Georges Agrisset, the pilot, to touch down in the exercise yard where Michel Lepage, an armed robber, was waiting with colleagues, waving handkerchiefs. The guards, who were under orders not to shoot at aircraft, did nothing.

M Vauzelle said he had ordered an immediate review of the law covering the use of firearms during escape attempts "in order to make the presidents of aero-clubs and pilots and also the accomplices think carefully about using this method". The government is equipping prison grounds with anti-helicopter cables, but the guards say these will be insufficient to prevent aircraft from hoisting prisoners up on ropes.

Kurdish factions wage war

Istanbul: War has broken out between the Kurds of northern Iraq and members of the Kurdistan Workers' Party (PKK) waging a separatist campaign against Turkey (Andrew Finkel writes). A force of 10,000 peshmerga fighters, as well as armed villagers, launched a campaign yesterday to drive the PKK from its bases, according to the Ankara office of the Iraqi Patriotic Union of Kurdistan.

The Iraqi Kurds are angry at what they describe as the intimidation of their people who are trying to resettle the villages they were forced to abandon by the policies of President Saddam Hussein.

Russian rally

Moscow: Hundreds of supporters of the ultra-nationalist Pamyat movement met for a conference to hear denunciations of "international Zionism" and President Yeltsin.

Tatar protest

Kiev: Police in the Crimean capital, Simferopol, used tear gas to disperse Tatars who tried to storm the regional parliament after police dismantled a Tatar settlement in Ukraine last week.

Sewage claim

Hong Kong: Environmentalists claimed more than two million tonnes of untreated sewage are discharged into coastal waters daily, blaming the pollution for a large increase in hepatitis A. (Reuters)

Train bombed

Assiut: Three people were killed and ten wounded when a bomb exploded on an Egyptian train in Dayrut. The southern town has seen continuing violence involving Islamic militants. (Reuters)

Capital gains

Berlin: Joost van Orien, a Dutch company manager, became the world Monopoly champion, and won £8,800. On the board, he bankrupted his four opponents in 85 minutes. (Reuters)



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INTERCITY

Boost for democracy in the Gulf

Opposition sweeps to victory in Kuwait

FROM CHRISTOPHER WALKER IN KUWAIT CITY

ANTI-GOVERNMENT candidates from a loose coalition of opposition groups swept to victory yesterday in the first election held since Kuwait's parliament was dissolved by the emir in 1986.

Although only 81,400 males were eligible to vote — one in seven of the adult male population — the results on an average turnout of more than 80 per cent were seen as sending a stark message to the ruling al-Sabah family that Kuwaitis are anxious for reform after their liberation from Iraq.

"Kuwait votes for change," declared the banner headline in the normally pro-government *Arab Times*, while the more sedate *Kuwait Times* led with "Opposition sends strong message".

With the presence of independents among the 50 deputies blurring allegiances and with some political parties still outlawed, observers estimated that anti-government candidates won 70 per cent of

elect seats in the new parliament due to assemble later this month. As in other recent Arab elections, pro-Islamic candidates were the biggest winners, with their three groups claiming 13 deputies. Many are demanding stricter implementation of Sharia (Islamic law), but a number also support votes for women, who were barred from standing or voting. Another 12 seats went to opposition liberals, anxious to develop the parliament as a forum for control of the executive and to expand Kuwait's limited democracy.

Opposition candidates and Western diplomats agreed that the poll was conducted fairly, with strenuous efforts to prevent vote-buying which has marred previous elections. Foreign election observers were ruled out by the government, which had not expected such an overwhelming defeat.

Two of the deputies likely to be most prominent in the parliament claim to have been victims of politically motivated

intimidation following the liberation last February. One accused the son of Crown Prince Sheikh Saad al-Sabah, who is also the prime minister, of threatening to harm him and his brother.

Another, Hamad al-Jouan, campaigned from a wheelchair having been crippled by an assassination attempt. He said the election was only the beginning of the renewal of the democratic process. Twice in the past, parliaments critical of the regime have been shut down under the emir's power of dissolution.

The new parliament will meet weekly in its seatfront headquarters, refurbished at a cost of \$60 million (£35 million) after being wrecked by the occupying Iraqis. Western diplomats, familiar with many of the candidates, said it was certain to provide a forum for open debate that would stand out in the Arab world.

The results generated intense excitement in the tight-knit desert community which



Riding high: an opposition candidate, Dr Ismail al-Sharti, celebrating his victory in Kuwait City yesterday

has a long record in leading the Gulf states in forcing the pace of democratic change. Saudi Arabia is known to have been deeply anxious about the effects on its domestic politics

of an opposition victory in Kuwait. Muhammad al-Qadiri, a spokesman for the Democratic Forum which had its two leading candidates returned, predicted that depu-

ties would protest by refusing to take their seats if they were not consulted by the al-Sabahs about the formation of a new cabinet.

Kuwaiti women, who

mounted two unprecedented street demonstrations on polling day, were optimistic that the result would boost their campaign to secure the vote by the next election in 1996.

Savimbi risks return to war

By SAM KILEY
AFRICA CORRESPONDENT

A resumption of the Angolan civil war came closer yesterday after Jonas Savimbi, facing defeat in Angola's first democratic elections, withdrew his soldiers from the newly formed national army and demanded a suspension of the election.

The Angolan government said that it would not turn the other cheek if Dr Savimbi reacted with violence to electoral defeat and riot police were out in force in Luanda, the capital, setting up roadblocks and protecting government buildings.

The potential stillbirth of multiparty democracy in Angola was not only depressing for the country's war-weary population but also bodes ill for democratisation elsewhere in the continent, especially southern Africa and perhaps South Africa.

Part of last week's peace agreement signed between the Mozambican administration and the Renamo rebels was that elections should be held within the next year. But as the process was in danger of unravelling in Angola yesterday, hopes for a peaceful transition in Mozambique also dimmed.

In Luanda yesterday, Dr Savimbi, president of the Union for the Total Independence of Angola (Unita), looked certain to lose against President dos Santos, who, with 86 per cent of the ballots counted, had taken 51.2 per cent of the votes against Dr Savimbi's 39 per cent.

An end to the 16-year Angolan civil war between Unita and the Popular Movement for the Liberation of Angola (MPLA) came last year when the MPLA government was forced to negotiate.

About 11,000 Unita troops and 28,000 from the government's army were officially integrated on the eve of the elections in an attempt to set up a single force of what should eventually have been 50,000 men. The withdrawal of Unita's forces from the armed forces of Angola is the most serious threat from Dr Savimbi so far of a return to war. But the move has not come as a surprise. When campaigning, he said repeatedly that he expected Unita to win and if it did not then he would have to say that the elections were rigged.

America has made clear to him that he can expect no international support if he abandons democracy for armed conflict.



Savimbi: wants poll process to be halted

Zulu chief threatens to secede

FROM RAY KENNEDY
IN JOHANNESBURG

BARELY a week after breaking off contacts with Pretoria because of its bilateral agreements with the African National Congress, Chief Mangosuthu Buthelezi, leader of the Zulu-based Inkatha Freedom Party and chief minister of KwaZulu, threatened yesterday to secede from South Africa if constitutional negotiations failed.

But he said there could be no return to negotiations at the Convention for a Democratic South Africa (Codesa), which broke down in June when the ANC walked out, and he called for a new multiparty forum to be established.

The Zulu leader was addressing a "Conference of Concerned South Africans" which drew together some strange bedfellows. Present were Brigadier Joshua "Oupa" Gqozo, of Ciskei, in whose capital, Bisho, ANC marchers were shot by troops last month; Dr Ferdinand Hartzenberg, deputy leader of the Conservative Party; and President Mangosuthu Buthelezi.

Frank Mdlalose, Inkatha national chairman, denied that it was his party's intention to form an alternative to Codesa. "The common purpose is to look at things which are interfering with the political negotiation process," he insisted.

The IFP holds the conviction that the ANC and the government must be dragged into negotiations proper. Meanwhile, President de Klerk warned the ANC yesterday that the government would take stern steps against marches that were expected to lead to violence. The ANC has said that marches on the Bophuthatswana capital, Mmabatho, and the KwaZulu capital, Ulundi, are to go ahead.

Nelson Mandela, the ANC leader, ended his first official visit to Peking yesterday with assurances of Chinese friendship but no promises that China would avoid links with Pretoria.

Palestinians' fast jeopardises talks

FROM RICHARD BEESTON IN JERUSALEM

SEVERAL thousand Palestinian prisoners started their tenth day on hunger strike yesterday, in a nationwide protest against Israeli jail conditions that could jeopardise the forthcoming Arab-Israeli peace talks.

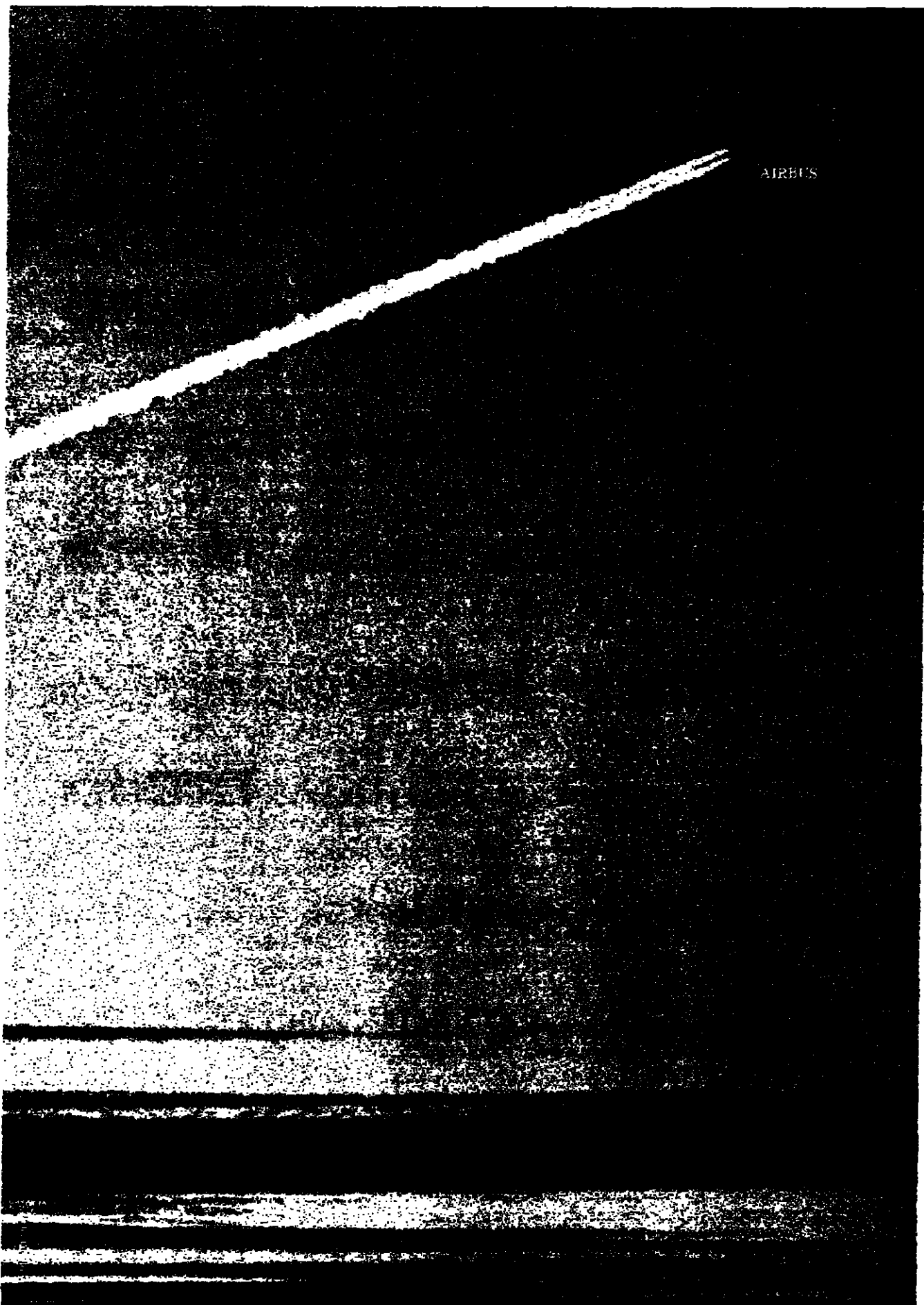
The hunger strike involves about one-third of the estimated 12,500 Palestinian security prisoners, who have vowed to remain on a diet of water and salt until conditions at 13 facilities run by the Israeli prison service are improved.

Word of the protest, the first of its kind since 1987 in Israel, was revealed after inmates wrote to Boutros Boutros Ghali, the United Nations secretary-general. Their 28 demands included an end to solitary confinement over long periods, the closure of special underground punishment sections, better food, no overcrowding, proper medical

treatment, and a halt to physical abuse by guards.

Hosni Sharakeh, who was released last week from the West Bank prison in Nablus after serving six years in four Israeli jails, said that the action was not politically motivated, but caused by genuine frustration. The authorities have refused to meet the prisoners' demands. Moshe Shahal, the Israeli police minister, insists that no talks are possible until the strike is called off. Palestinian and Israeli leaders are increasingly concerned that what began as a straightforward protest over prison conditions could spiral into a political test of wills between the government of Yitzhak Rabin, the prime minister, and the Palestinian leadership in the occupied territories, who are due to resume their talks in Washington on October 21.

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ACHIEVEMENT HAS A NAME

10/10/92

Right-wing Republicans turn all their attention to 1996

"IT AIN'T over till it's over," the noted American baseball player and philosopher, Yogi Berra, was fond of saying. But for those on the right wing of the Republican party, the 1992 election is, indeed, over. They are turning their attention to 1996.

However, the conservative wing of the party — the group that provided the intellectual muscle of the Reagan revolution and the foot soldiers for Ronald Reagan in 1980 and 1984 and for George Bush in 1988 — is bifurcated. On the one hand, there is the social right, the voter to whom questions such as school prayer, abortion, the allegedly pernicious effect of American "culture" on family values and other such subjects are of crucial importance. It is difficult for non-Americans to appreciate the emotive power of these issues. But keep in mind that 71 per cent of

Americans agree that "there is something morally wrong with the country" and that 61 per cent of Republicans do not think non-discrimination laws should be used to protect homosexuals.

On the other hand, there is the economic right, which includes intellectuals and many in the business community who saw in Mr Reagan's tax-cutting and deregulation the key to unleashing American enterprise and industrial ingenuity. These are less concerned about so-called family values than about share values and tend to view the social agenda of their brethren on the right as a distraction. To them, a reinvigoration of the "Reaganomics" revolution is the key to America's future.

These, broadly, are distinct groups and they have begun to look at 1996 in very different ways. The social right sees no

Irwin Stelzer, right, writes that social and economic conservatives in George Bush's party have lost interest in this year's poll and are seeking a champion for next time



hope for America unless the moral authority of the family is restored, sex and violence are cut out of television and films, and homosexual and other non-traditional lifestyles are denied public acceptance. With Pat Buchanan virtually invisible, and the Rev Pat Robertson consigned to the narrowly focused Christian Coalition, Vice-President Dan Quayle is the social right's mainstream politician of choice.

The situation among members of the economic right is a bit more muddled. Some remember that Mr Quayle's council on competitiveness resisted the tide of new regula-

tions unleashed by Bush appointees and are willing to sign on with the vice-president for 1996.

Others look to Jack Kemp, now ending four frustrating years as an ignored member of Mr Bush's cabinet. He has long espoused lower taxes, less regulation, private-sector initiatives to cure such social ills as inner-city riots and a host of other Reaganite programmes. To his supporters, who include most of the state chairmen of the Republican party, Mr Kemp holds the key to an open, more inclusive party, more concerned about the socially disadvantaged than the Quayle group but, unlike

the Democrats, relying on the private sector rather than government for solutions. They point not only to Mr Kemp's long support of supply-side tax cuts and enterprise zones, but also to his speech at the Republican convention in Houston, regarded as second only to Mr Reagan's in optimism and in offering creative solutions to economic ills.

But Mr Kemp faces one difficulty in rallying the economic right to his banner.

Many of its members, particularly those in the business community, are terribly bothered by the federal budget deficit. That deficit is now running at close to \$350 billion (£200 billion), almost 6 per cent of GNP. Cuts in defence spending will help to bring it down, as will a winding down of the cost of the industry bail-out. But the deficit will remain too large unless some combination of two very unpopular steps is taken: raise taxes, or cut so-called "entitlement" payments made under various social security and welfare schemes. Mr Kemp favours neither, continuing to believe that economic growth alone eventually will wipe out the deficit. Certainly, he does not see tax increases as any part of the solution to the deficit.

That is why some members of the business community prefer Texas Senator Phil

Gramm, a former economics professor who switched from the Democratic to the Republican party in 1983. Mr Gramm has been wooing Republican businessmen, building a campaign chest for a run at the presidential nomination in 1996. What he quietly promises that Mr Kemp does not is a more old-fashioned, pre-Reagan view of budgetary matters, more in the tradition of the late Senator Robert Taft of Ohio and, lately, Senator Bob Dole of Kansas. To these traditional Republican conservatives, the deficit matters. And it must be eliminated. Only then can economic growth resume.

The fractured Republican right can take one comfort from all this turmoil: it belies the notion that it has run out of ideas. Irwin Stelzer, the American Enterprise Institute scholar and the father of the neo-conservative movement

that fuelled the Reagan revolution, agrees that the right has not run out of ideas. What is lacking, he says, is a champion who can turn the ideas that are being laid out in conservative opinion journals into reality: one who, unlike Mr Bush, does not prefer consensus to confrontation. Whether that proves to be Mr Quayle, Mr Kemp or Mr Gramm or, as some thoughtful conservatives are hoping, a dark horse such as Richard Cheney, the defence secretary, will become clearer the day after this election, when the serious jockeying for advantage in 1996 begins.

Dr Stelzer is a resident scholar at the American Enterprise Institute in Washington DC and will be contributing a weekly column to The Times in the run-up to the American general election

Anthony Howard, page 12

Challenge by Perot fails to damage Clinton lead

FROM MARTIN FLETCHER IN WASHINGTON

PRESIDENT Bush's hold on the White House looked increasingly shaky yesterday. On Monday night, Congress overrode a presidential veto for the first time since Ross Perot's re-entry showed the Texan's candidacy has barely dented Bill Clinton's lead.

The override on a popular bill regulating the cable television industry underscored Mr Bush's waning political strength four weeks before the election. The Democratic-controlled House and Senate had failed to muster the two-thirds majorities required to overturn any of his 35 previous vetoes, but on this occasion frantic White House lobbying failed to convert a single Republican senator and 24 voted against him. In the House, 77 Republicans defied their president.

Mr Bush maintained yesterday that he was "right on principle" but Mr Clinton said the vote "won't do him any good". Al Gore, Mr Clinton's running mate, called the override "an indication of the winds of change that are blowing across the country".

New polls by *The New York Times*, *The Washington Post* and the Harris organisation gave the Arkansas governor leads over Mr Bush of eight, 11 and 17 points respectively, dashing Republican hopes that Mr Perot's new candidacy would split the anti-Bush vote and put the president back on level terms.

Mr Perot, who was last night airing his first 30-minute commercial on prime time television, received no more than 9 per cent support in any of the polls. Four-fifths of his former supporters said they no longer trusted him and 72 per cent of respondents said he should have stayed out of the race.

The detailed figures were still grimmer for Mr Bush. He has spent days painting his

opponent as a closet tax-and-spender, but in the *Post* poll 40 per cent said they preferred Mr Clinton's tax policies and only 28 per cent Mr Bush's. Three-quarters of Mr Clinton's supporters said they would definitely not change their minds before November 3, compared to two-thirds of Mr Bush's. Just 16 per cent of the *Times* respondents approved of President Bush's economic stewardship.

Next week's presidential debates could still turn the race around, but now little seems to be going the way of a president who, in contrast to his opponent, looks tired, sounds rambling and acts desperate. The *Post* exacerbated the sense of disarray by disclosing that Richard Darman, Mr Bush's budget director, offered his resignation when Mr Bush said recently that he had made a "mistake" in breaking his "no new taxes" pledge. Mr Darman considers the \$500 billion, five-year deficit reduction package the most responsible economic policy decision the president had made.

Mr Perot, meanwhile, scoffed at what he called Republican-inspired rumours that, as an Oxford student opposed to the Vietnam war, he had visited Moscow at the KGB's invitation and had sought to renounce his American citizenship to avoid the draft. The Republicans had "been in power a long time and they are behind a little now and they are stirring everything they can, but this old dog won't hunt," he said.

The mystery over the pages missing from Mr Clinton's State Department passport file continued last night. It was confirmed that the FBI was investigating. Bush supporters have long been encouraging reporters to look into Mr Clinton's anti-war activities while at Oxford, but the Bush campaign denied tampering with Mr Clinton's file.



Wired for sound: Bill Clinton being fitted with a microphone as Larry King, left, directs preparations for his live television interview with the Democratic candidate

Candidates fall for a chat show charmer

The presidential race is being called by one of television's top cult figures. Anthony Howard reports why the runners are lining up to face Larry King

FORGET the candidates. The rising star of this election is a 58-year-old chat show host called Larry King. He only has to crook his finger and George Bush, Bill Clinton or Ross Perot come running on to his show.

The president was on last Sunday and will be back again tonight. Governor Clinton and his running mate, Al Gore, managed to squeeze in on Monday and are said to be returning later in the week. Ross Perot has used the show twice as a launch-pad for his off-on bid for the presidency.

What makes it all the more remarkable is that Mr King is no conventional megastar of the networks. His show is screened on CNN and, though it attracts a nightly audience of more than two million, that hardly puts it at the top of the ratings tables. Yet in shirt-sleeves and braces with a bracelet on his right wrist, Mr King is a cult phenomenon.

This campaign is his apotheosis, and more orthodox television journalists are far from happy about it. They suggest that the candidates

like to go on *Larry King Live* — as the show is called, despite its frequent taped interviews — because they know that they will have an easy ride. Indeed, during King's interview with Mr Perot last week Mike Wallace, the veteran star of CBS's flagship current affairs show *Sixty Minutes*, actually rang in to enquire why it was Mr Perot always gave Mr King "most favoured nation" treatment. Was it, he asked, because of "the softballs my friend Larry throws at you?"

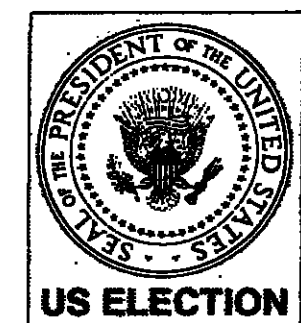
The charge, although it clearly nettled Mr King, was not wholly unfair. The last 10 minutes of his interview with the president last Sunday night featured Barbara Bush and the family dog, Millie.

It was not, however, the first time a dog has been introduced into a presidential campaign: Franklin Roosevelt started the trend with a

spirited defence of his dog Fala on a radio broadcast more than 50 years ago, and Richard Nixon's famous 1952 TV address to the nation is not known as the "Checkers broadcast" for nothing.

There is no doubt that the contenders find the ambience of *Larry King Live* comfortable, perhaps because it is always so obligingly flexible. The president, for instance, was allowed to insist on taking no calls from viewers last weekend, on the curious ground that it would detract from the dignity of the White House (where the interview was recorded). Tonight he comes back to take calls, so — as candidate and incumbent — one could say that he has won each way.

Only the jealous can begrudge King his success. He has had a turbulent life: six marriages, frequent threats of



bankruptcy, and even a charge of grand larceny against him that was not proceeded with. It is difficult, however, to perceive him as a replica of Sir Robin Day or even as a transatlantic Brian Walden. He prides himself on doing no homework before his interviews, maintaining that this enables him to ask the sort of questions that his viewers would like to ask and, later in the programme, frequently do.

Perhaps what most upsets the more professionally oriented television interviewers is the degree of dominance Mr King has managed to establish over the current cam-

paign. The staple Sunday current affairs shows have paid a particular price. Governor Clinton's last appearance on NBC's *Meet The Press* was in March, and neither he nor the president has any plans to return to it or CBS's rival *Face The Nation* during the four remaining weeks of the campaign.

The message would seem to be that both the candidates and the voters prefer to see this election as essentially a trivial pursuit, where political interest consistently takes second place to human curiosity.

● **Paper chase:** Many Americans would contend that the work of the much reviled 102nd US Congress was tainted with exactly the respect it deserved last Monday *twice* Martin Fletcher. In the small hours of the morning a cleaner found a box of papers on the floor of a basement office on Capitol Hill and carried it off to the nearest rubbish skip.

It is true that this Congress has produced little of worth, but these papers were an exception. They were 13 new bills that had been approved over the weekend, including an historic measure to provide aid for the former Soviet republics. Their intended destination was the National Archives.

Their loss was discovered just before 9am and a search of the local rubbish collection centre was instigated, but it was "like looking for a contact lens on a beach," said the Clerk of House.

One of the 13 bills authorised \$2.3 billion to finance the running of Congress itself. After a year that has produced the House bank scandal, the House post office scandal and almost complete legislative "gridlock", self-deprecating humour is the order of the day among congressmen up for re-election. "Some people would say the janitor did the country a favour," remarked Robert Walker, a Pennsylvania Republican.

NEWS IN BRIEF

Nine killed as storms sweep Italy

Rome: The death toll in a wave of storms battering Italy rose to nine as police reported seven more fatalities in the past 24 hours. Four people died in road accidents caused by heavy rain and two others were swept into the sea. Low-lying areas of Venice remained ankle-deep in water while large areas of the north were flooded.

● **Paris:** Three inches of rain fell in three hours on Nice and surrounding areas and rivers were swollen as storms hit southern France. (Reuters, AP)

Hunger strike

Tokyo: Opposition MPs began a hunger strike to demand the resignation of Shin Kanemaru, "kingmaker" of the ruling Liberal Democratic Party, who admitted receiving an illegal £2.4 million donation. (AP)

Cairo plaudit

Cairo: President Mubarak of Egypt marked the anniversary of the 1973 Middle East war by praising Israelis for electing a more conciliatory government in June. (Reuters)

Art retrieved

Moscow: Art masterpieces taken from Nazi Germany, including a drawing of Van Gogh's *Starry Night* found on a cellar floor, have been retrieved from secret storerooms and will be displayed in St Petersburg. (AP)

Doctor's orders

Nairobi: Dundu Owili, a leading AIDS doctor, warned Kenyans not to bathe their genitals in acid after sex to ward off HIV. Many unsuspecting people have suffered severe burns. (AFP)

Compromise on Hong Kong airport ruled out

Patten fends off pressure from China

FROM JONATHAN BRAUDE IN HONG KONG

ON THE eve of his maiden policy address to the local legislature, Chris Patten, the governor of Hong Kong, yesterday ruled out compromising the British colony's democratic development to clinch a deal with China over the financing of a controversial £13.5 billion airport project, but admitted that full democracy would not be on his agenda.

He pointed out the need to strike a balance between the moves to democracy sought by the people of Hong Kong and that which will survive the colony's return to Chinese control in 1997. He made it clear that he would not succumb to pressure from Peking to limit Hong Kong's freedoms simply to pave the way for an agreement on the airport, which China has been opposing in an effort to extract further political concessions.

His comments, in an interview with the BBC, did nothing to dampen the intense speculation over the contents of his speech, which



Patten: an expert use of public relations

will set the tone for the last five years of British rule. In the three months since his arrival in Hong Kong, the former Tory party chairman has played his cards close to his chest, sounding out local opinion but giving little away about his own intentions. Knowing the Chinese will not accept full parliamentary democracy, he has promised to retain "an executive-led government" but has not given any details of its likely composition. Although liberal groups

swept to victory in last year's partial democratic elections, China has made it clear it does not want them appointed to the executive council. Mr Patten's inner cabinet, faced with that restriction, the governor is likely to appoint business leaders to the executive rather than liberal or conservative politicians.

However, the most able local Chinese might be unwilling to be associated with the final years of British colonialism, and the executive council might find itself sidelined while Mr Patten negotiates directly with a fractious and partially democratic legislature.

China has threatened to throw liberal representatives out of office if they win seats under the new polling system Mr Patten is pledged to introduce for 1995 and beyond. He has stalled on a two-year-old British promise to approach China for an increase in the 20 directly elected seats Peking is committed to permitting in the 60-seat legislature.

The governor is bound to make enemies, as he cannot

satisfy all the local interests. He has already made himself popular pressing the flesh and kissing babies in the crowded market place and public housing estates. Now he has done what comes naturally to a politician and promised to face the public. Where Lord Wilson, his predecessor, would have barricaded himself inside the official residence and waited for the storm to die down, "Typhoon Chris" has shocked the establishment by arranging four public forums to explain his position as well as agreeing to appear on radio for a two-hour live phone-in on tomorrow. The 2,800 tickets for the first two public sessions scheduled for tomorrow and Friday were snapped up in less than 20 minutes.

● **Market target:** The central committee of the Chinese Communist Party has drafted proposals that point to a market economy as the way forward for China. The report says the ambitious target set in 1980 of quadrupling China's output by the year 2000 should be surpassed.

Germany and Britain urge subsidy accord

FROM GEORGE BROCK IN LUXEMBOURG

SENIOR American and European negotiators will meet this weekend in a last attempt to clinch a world trade deal before the present opportunity closes. Carla Hills, the US trade representative, will meet Frans Andriessen, the Community's chief trade negotiator, in Brussels on Sunday.

Officials on both sides believe that if progress on the central issue of subsidised food exports is not registered by the time EC leaders meet in Birmingham on October 16, an agreement to boost world trade may never be struck.

The German and British governments warned their EC partners yesterday that a final effort to close the gap between America and the Community over food export rules must be made urgently. France, isolated in opposition to further concessions by the EC, stuck to its insistence that any fresh concessions should come from Washington. Jürgen Möllemann, the German economics minister, said yesterday that signs pointed to President Bush seeking a quick result from the talks. "Let us not let this opportunity lapse," he declared. "The

Community can no longer admit that it refuses to face reality."

Herr Möllemann, a long-time advocate of a more flexible EC stance, urged the Community's leading negotiator, Frans Andriessen, to interpret his negotiating mandate broadly.

Dominic Strauss-Kahn, the French foreign trade minister, said the Community's plans to reform the common agricultural policy were its last concession and that America should make the next move.

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20/10/1992

Woodrow Wyatt

Inside Europe, the government needs to speak for Britain

Monday's Times Mori poll was startling. In mid-September, before the currency fun and games began, of those with a view 52 per cent were in favour of ratifying the Maastricht treaty and 48 per cent were against. By the end of the month 68 per cent were against and a mere 32 per cent in favour.

John Major has staked his political credibility at home and abroad on Maastricht. Mrs Thatcher is not a lone voice in the Tory party against it. Though comparatively silent temporarily, she leads a vocal and powerful minority in the Tory party in Parliament. Yet if Mr Major speaks, and acts, with confidence and skill, he can overcome his Maastricht problem. If he were defeated in Parliament it could be a resigning matter with the possibility of a snap election. I cannot imagine the Tories risking a defeat or changing their leader so soon after Mr Major led them to victory.

Some stubborn Tory MPs will vote to destroy the ratification bill. They will be more than out-numbered by Labour MPs, whose leader John Smith, obtained overwhelming conference backing for his determination to see Maastricht through. There will not be a referendum here: a bill for it would be defeated by a combination of the prime minister and Mr Smith. Chancellor Kohl and President Mitterrand badly need the British ratification plus a Danish Yes vote; unless all ratify Maastricht collapses. So Mr Major has the strongest cards of all, enabling him to make Maastricht acceptable to general feelings here and in Europe.

This means that the treaty must incorporate a clear, legally binding statement that subsidiarity means Brussels must retreat from, and stay out of, all intervention except where the competition rules of the single market and the fouling of the environment across borders are concerned. There must also be a condition that the Commission ceases to initiate anything of its own volition and may only produce new rules and laws on instructions agreed by the governments.

Best of all would be to replace all the commissioners, with their love of exercising political power by ordering governments about, with professional civil servants accustomed to taking orders, not giving them. Those like Jacques Delors long for a centrally-run federal state because, unhealthily, they are driven by a desire to rule, unselected and unquestioned, the largest number of subjects they can coral together.

If Mr Major has the courage, the strength and the vision to push something of this kind through with our European partners, who need us so badly, his present, low opinion poll rating will be transformed. He must be perceived as speaking for Britain as effectively as Herr Kohl and Mitterrand speak for German and French interests.

Meanwhile, Mr Major and Norman Lamont, who have both made clear that we will not re-enter the exchange-rate mechanism until its methods of operation are radically changed, must convince the country that the drive to hold down inflation will continue without the so-called discipline of the ERM. And that means public spending will be ruthlessly reduced and controlled however much it hurts. They must not bolster public spending by increased taxation: they should aim rapidly to reduce it, to encourage incentive and to continue to differentiate the tax-cutting Tory party from the tax-raising Labour party.

Anthony Howard in Washington on the rigid ideologues who despise the president's pragmatism

Why the right fear Bush

There is a paradox at the heart of the American presidential election. George Bush may be fighting it on his own terms, as a conservative — but it is precisely the more ideological conservative who holds the greatest reservations about him. To them he represents a throwback to the old consensus tradition of East Coast Republicanism. Among the ranks of the intellectual right (who, as former supply-siders, are not at all attracted by Ross Perot's version of hair-shirt economics) he is perceived not as a policy innovator but rather as a figure who instinctively shrinks from any form of doctrinal innovation. The neo-conservatives who re-made the Republican party after the Barry Goldwater debacle of 1964 view him in effect as the man who has sold the revolution down the river.

All this may not, of course, be entirely the president's fault. Like John Major, he continues to live under the shadow of his predecessor. Ronald Reagan contributed the term Reaganomics to the American political lexicon just as surely as Margaret Thatcher introduced the concept of Thatcherism into the vocabulary of British

politics. The complaint in each case is identical: that where the originators set out to change everything, those who have come after them possess no higher ambition than to keep things ticking over.

As the product of an orderly transition, the president probably has greater reason to resent the comparisons that are constantly made than has the prime minister. President Reagan, after all, was not hustled off the political stage. He retired at the age of 77, having served the maximum term allowed by the US Constitution.

Yet, almost four years later, the old believers are still by no means reconciled to the new regime. Just as the prime minister's sharpest critics were to be found at the time of the last election among those journalistic commentators who had most consistently supported his predecessor, so Mr Bush has come under the heaviest fire from defenders of the old order who

continue to thunder away from a variety of syndicated newspaper pulpits. Such renowned national columnists as William Safire, George Will or Robert Novak have seldom had a good word to say for the president during the present campaign. Safire has branded him "a crypto-liberal". Will has pronounced that "he almost certainly will lose, perhaps in a landslide", while (not to be outdone) Novak has declared that he has "charted a course to disaster for himself and his party".

What is it about President Bush that makes him so despised a figure by the intellectual right? The explanation for the battering the president has endured may well lie in the relative novelty of conservatism as a political movement in American politics. Even after the Reagan years conservatives recognise that their hold on the Republican party is by no means assured. Like the Tories in Britain until the arrival of Mrs

Thatcher, the Republicans have historically tended to be the less ideological party. If it had been otherwise, men like Wendell Willkie, Thomas E. Dewey or General Eisenhower could never have been nominated as the party's presidential candidates. The conservatives may first have captured the party with Barry Goldwater in 1964 but, partly thanks to the awkward interregnum of the Nixon presidency, it took another 15 years for their ascendancy to be established.

The fear of the ideological right now is that it is all about to be thrown away. With his partisan background, conventional outlook and respect for established institutions Mr Bush hardly seems like a man in whose heart there beats a passion for change. As a defender of the status quo he has not found it too difficult to forge an alliance with the religious right. He also has plenty of support in the affluent suburbs and the more fashionable country clubs. But

winning the allegiance of the economic, still less the libertarian right has posed him a much more difficult challenge. For such people politics is a war of ideas; and to Mr Bush, as to most politicians, ideas are dangerous and alarming things that, if not strictly controlled, can all too easily cause nothing but trouble.

Certainly, no one can claim that Mr Bush ever tried to deceive anyone as to where he stood. In 1988, in his first presidential campaign, he delivered a highly revealing speech. "We don't," he said, "need radical new directions. We need strong and steady leadership. We don't need to re-make society — we just need to remember who we are."

Asked to describe the mandate he thought the people had given him after winning he instinctively replied: "Well, I don't know whether I want to use the word 'mandate'..." Given, as every politics student knows, that the

"mandate" is the battering ram for change, there could hardly have been a more revealing answer. None of which, of course, is in any way to deny Mr Bush's own claim to be a conservative. He just happens to be a conservative of a rather old-fashioned sort — a consolidator at best and a conservator at worst.

The difficulty for Mr Bush is, though, that such an essentially defensive view of his office puts him badly out of touch with the intellectual Zeitgeist blowing through his own party. What he perhaps needs most to worry about is the strangely wistful way in which Republican intellectuals are starting to talk about a Clinton victory on November 3 being "no bad thing".

What they mean, is that then the party could start afresh, go back to the drawing board and one day hope to return to the excitement and challenge of the early Reagan years. It is a measure of the challenge they feel about the performance and promise of the 41st president that few, if any, appear to believe that such an intellectual renewal will be possible even if he wins a second term.

Merely a little local difficulty

Reports of the prime minister's death are greatly exaggerated, writes Simon Jenkins

POLITICS TODAY

What political crisis? Just start with the man's power. John Major is prime minister. He is not about to resign. He has an election victory just six months old and a Commons majority that will not risk another. His health is sound. There is no plausible successor. British political power rests on one institution, the cabinet, where sit the oligarchs of the elected majority, each of them at Mr Major's mercy. The cabinet is solid. The prime minister is virtually immune.

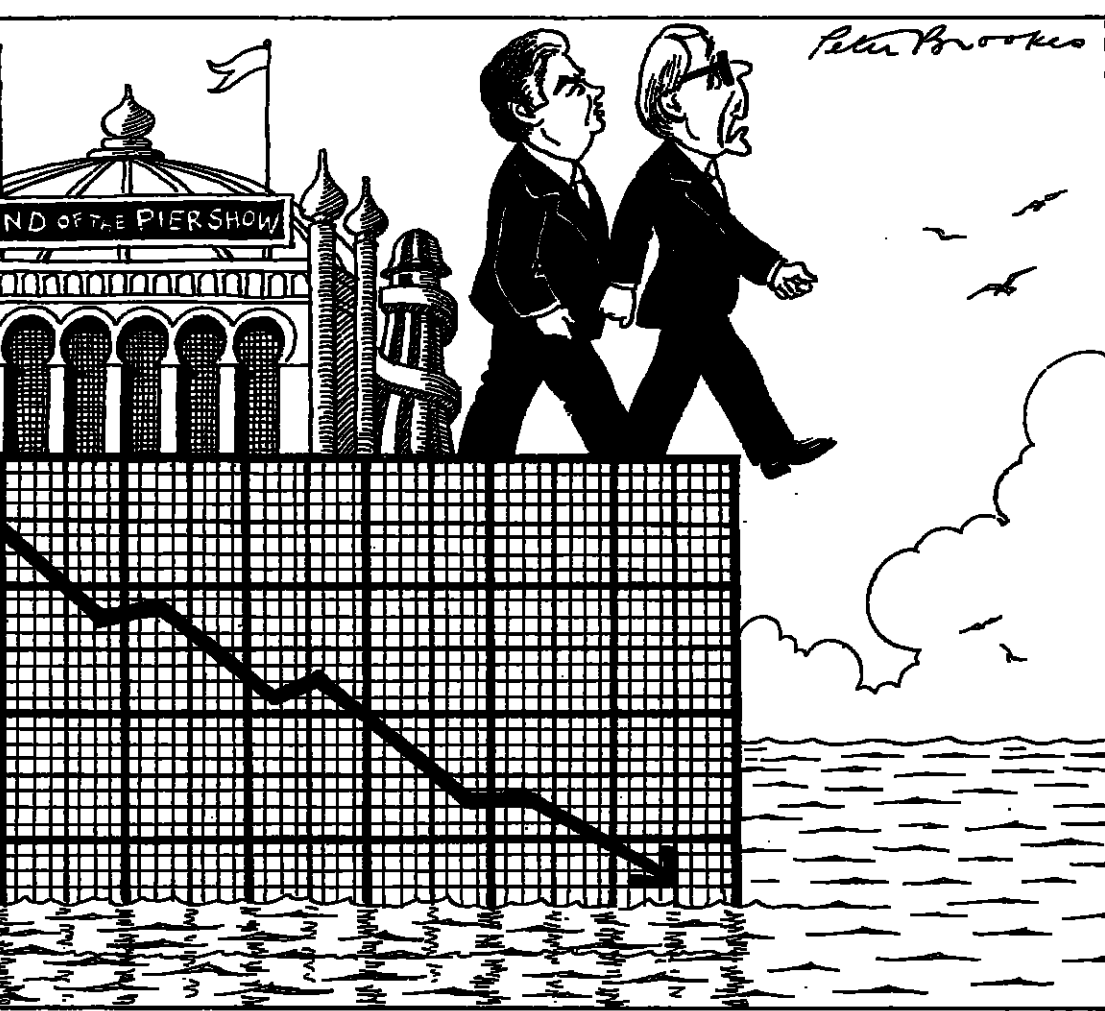
All else, to use a fashionable phrase, is subsidiary. The financial markets are consumed with uncertainty; but that bluntness is what they are paid to be. Traders face fluid exchange rates; they have done so before. Britain's European partners are worried about dwindling support for Maastricht. Tough on them: they should have thought of that when they concocted the worst treaty since Versailles.

We are told Mr Major faces a "crisis of competence". So have most prime ministers at some time or other. We are told Norman Lamont has left the nation without an economic policy worth the name. But better no policy for the time being than the dreadful one we had before. The Tories are split on Europe? When were they not? We hear that this is the worst "total systems failure" since the war. It is crisis, crisis, crisis, the cliché repeated so often it acquires a sibilant lushness. But sometimes I think history should replace maths (which has got us nowhere) in the core curriculum. Is this a worse crisis than the three-day week of 1973, than the International

Monetary Fund visit in 1976, than the Falklands invasion in 1982? It is not. Or take the party conference of 1981, when Margaret Thatcher's leadership faced its greatest threat until she fell eight years later. The war of the wets against the dries reflected a divide that ran through the party right up to the cabinet. Mrs Thatcher's senior colleagues, such as Jim Prior and Francis Pym, were openly dissenting. Poor odds were being offered on her surviving to Christmas that year. She muddled through quite well.

Mr Major's predicament this week is nowhere as dire as was Mrs Thatcher's. Certainly he wobbled inside Admiralty House on Black Wednesday — by some accounts wobbled alarmingly. But no prime minister has lived until he has faced those ghastly dwarfs from the Treasury and the Bank of England, all lined up ashen faced to say, "We can no longer control the markets: you must carry the can." It takes a strong man to laugh in their faces and sack the lot of them. Mr Major should know that now.

The prime minister's power requires him only to keep his nerve. He has not a "crisis problem", only a policy problem, or rather two problems. The first is to ratify the Maastricht treaty. He solved that last Thursday. At the now-famous cabinet he wanted no silent acquiescence. He made every member articulate his or her assent to ratification. The reason was that no feasible alternative (apart from referendum) was open to them, given that he



had signed on their behalf and could no longer shelter behind the Danish skirts with any dignity.

Mr Major duly ordered the whips on deck to deliver him his majority, whatever the cost. This they will do. Terrible things will be said. German feelings will be sorely tried. Ratifying the treaty is already opening divisions across Europe so deep, and so genuine, as in my view to make implementation near impossible. But to the Tory party Maastricht is now an order. However many standing ovations Euro-sceptics receive, it has become an infantry advance on the Somme, a test not of intelligence but of leadership. All

else is mutiny. Maastricht will be obeyed as poll tax was obeyed.

The prime minister's other, unresolved task is to find a sensible monetary and fiscal policy to replace the defunct one. I was delighted to hear him casually remark, as if it were self-evident, that there is "more than one way of keeping inflation under control". I distinctly remember six weeks ago both he and Mr Lamont shouting the exact opposite. But when politicians turn from the path of folly and seek after righteousness, who are we to scream "crisis"? I would rather a strategy properly considered by a chastened Treasury than one cobbled together

overnight merely to lower blood pressure in the money markets. Certainly John Major has taken a media grilling this past month. He is portrayed in Tory as well as Labour newspapers as weak, empty, incompetent, lacking in ideas, a broken-backed Quixote wandering the plains of Europe, with Mr Lamont as his Sancho Panza. The broadsheets have been as bad as the tabloids. Mr Major's cardinal fault is that he reads this rubbish.

Deconstruct this much-vaunted crisis into its component parts and it promptly diminishes in size. This week's noise is the result of an unavoidable hiatus between the end of Britain's miserable flirta-

tion with fixed exchange rates and the return of a more autonomous policy. The hiatus happens to coincide with a Tory party conference, decision day on Maastricht and Britain's leadership of the European Council of Ministers, a body grossly inflated in importance. But with Maastricht delegated to the whips and the council pushed into the background, the prime minister can at least concentrate on crafting economic recovery and deciding the fate of his Chancellor.

Mr Major is being dismissed at Westminster as merely a transitional leader, keeping the seat warm for some titan waiting in the wings. Mrs Thatcher was described likewise in her early years. Such criticism is easy when the spotlight blazes down only on a politician's weaknesses, not his strengths. Mr Major's weaknesses are off-rehearsed. He will never be a "strong-leadership Conservative" in the Thatcher/Reagan mould. He does not dominate debate any more than he dominates a room. He lacks the fanaticism of a great leader. He is no orator, being much given to H.L. Menckens's "studied ponderosity". He is dull. But government is a dull business. John Major in two years has scratched four distinctive achievements on his personal escutcheon: poll-tax abolition, the Gulf war, the Maastricht concessions and a general election victory. Each called for skill in managing his cabinet, his party and foreign leaders. In each case he was more than competent. Now he has suffered his first political reverse. It is a big one. But to imply as a result that the man is finished, the roof has fallen in, the wolves are at the door and the Tory party is "in crisis" is plain stupid.



...and moreover ALAN COREN

I have been thinking about my face. I am not alone in this. A man in Akron, Ohio, has been thinking about my face, too. That is why, this morning, I invite you to join us. Let us all, for 800 words, think about my face. Should you feel that 800 words is a bit more than you wish to think about my face for, be assured that by the end of them you will also find yourself thinking about your face, and thus, since a vanity shared is a vanity halved, may well forgive me for banging on about mine.

Let us look at my face together. It has a pretty neutral expression on it. Does it not, some would say more neutral than pretty, but we are not here to wonder why, in an age of rapid-response newspaper technology, there's still no art to find the mind's construction in the face: why, that is, my face is not regularly changed to suit the article hanging from its chin. Were I the new Editor of *The Times*, that is exactly what I should innovate, so that readers would instantly be put on the *qui vive* for the tone of the words beneath by a face one day cheery, the next glum, now enraged, now quizzical, and so on. Shouldn't be too difficult, the Editor would just keep a few assorted snaps of me in his drawer and, as soon as my copy chattered through the fax, select a mug-shot to suit.

Today, for the moment, here is this neutral face, and all we have to think about is its size. It is the size of a postage stamp. Were you to see it on an envelope, you

might say, hello, I think I have received a letter from Bulgaria, this must be the 5-stotink grey (did you know, by the way, that there were 100 stotinki to the lev? What a mystery Bulgaria is), but I cannot think who this neutral-looking dingbat is, could be a trade secretary, could be a dead footballer, unless of course it's their new king, you can never tell with the Balkans, these days.

For once, this scenario of mine is not an idle fancy. I could make it happen. All I have to do is send \$200 and my photograph to an outfit in Akron, Ohio, called Personal Promotions Inc, and they will send me, by return of post, something with which I can post things of my own, ie 20 sheets, of 48 stamps each, with my face (and name) on, professionally serrated and pre-gummed in a choice of three flavours, mint, fruit, or natural. I can then lick me, stick myself beside Her Majesty (since I am not of course legal Royal Mail tender), and pop us both in the post, thinking, as I do so, "how much it will improve my standing in the business community, and impress family and friends."

I am sorely tempted. My standing in the business community has never been particularly high, and I have every confidence that it would take an exponential leap upward, once the recipients of my letters had somehow managed to persuade themselves that I was not a clueless sap who could be suckered into sending \$200 to anyone offering to serrate him and coar the back of his skull in raspberry

glue. Similarly, my family and friends would, I know, be knocked out by the thought that they actually knew someone into whose left ear the Queen could be compelled to peer. That some of them might come to the conclusion that what Her Majesty was doing was examining my head in response to its patent need, I do not for a moment believe.

All that remains for me to do, it would seem, is to work out the sort of expression I should like to have on my stamp, and pose for the snapshot accordingly. But it is not quite as easy as that. If I may return to my earlier observations, why choose but one expression when several might be called for? For my bank manager, say, a jutting jaw and a confident eye could be just the ticket, whereas Christmas cards would seem to demand a cheery grin and a funny hat; though this would clearly not be the thing at all for a complaint to the Gas Board, or a condolence note to someone whose dog had just run under a bus.

I should think a thousand bucks would cover it. That would bring me five bundles of 960 stamps each, once I have popped into the nearest booth and struck my assorted poses. Alternatively, I could simply strike a different pose altogether and stick the photograph on a letter to Akron informing them that I shall not be doing anything with their wonderful offer. I have not yet arrived, mind, at the ideal expression for conveying what I think they should do with it, but I'm working on it.

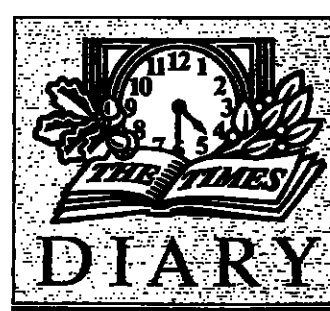
Lamont eschews the E-word

SSSH. Don't mention the Exchange Rate Mechanism. Or even European and monetary union. Especially if you are the Chancellor of the Exchequer. It seems that after the dramas of Black Wednesday Norman Lamont cannot bring himself even to utter the fateful acronym, ERM.

Tonight in Brighton Lamont delivers the annual lecture to the Conservative Political Centre, under the title, *Europe: A Community not a Super State*. "He may tinker further but the omissions are astonishing," says one observer who has seen the text. "There is no mention of the ERM and scant attention to EMU, it is remarkably clever and diplomatic." In the course of the 60 minute address, EMU, in fact, is referred to in just two sentences.

That Lamont can make a speech about the future of Europe without mentioning the most contentious elements of European union will further reinforce the suspicion that the Chancellor is a Euro-sceptic and that if anyone should carry the can for the failed policy it is Douglas Hurd rather than Lamont.

Such a view is given further credence by news of a deep split among the ranks of the special advisers who serve the Cabinet. Last week they met to discuss how the subject of Europe should be handled at the party conference. The meeting ended with a bad tempered stand-up row between Maurice Fraser, Hurd's special adviser and a confessed Euro-fanatic and Jeremy Mayhew, who is special adviser to Peter Lilley and is known to be close to Lamont. "There was blood on the carpet, to say the least," says another special



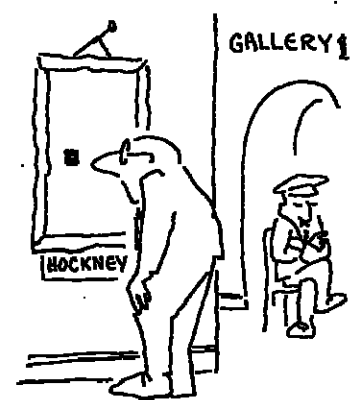
adviser who witnessed the row. "If this is what is going on in cabinet there is no hope for us at all."

Backroom boys

JOHN Major's vision of a classless society does not extend to hotel accommodation. While Major is living in style at the £1,000-a-night presidential suite at the Grand Hotel, Tory Central Office has been forced to cut back on the lifestyle of its staff in Brighton. Major's suite boasts five elegantly furnished rooms, including a master suite with a four-poster bed, dining room and sitting room. Party workers are less lucky. Their number has been cut by half because of the parlous state of the party's finances. But while Tory MPs may be falling out with each other in public, the Central Office apparatchiks are getting on better than ever. The economy drive has forced them to share £50-a-night hotel rooms further down the seafloor.

With timing worthy of Dario Fo, the Post Office has chosen next week to launch its new stamp to celebrate the single European market. The single 24p stamp has been designed by David Hockney and shows a yellow star on an ultramarine background. The stamp will be launched at the 1853 Gallery in Bradford, which is hosting an exhibition of Hockney's work. Hockney

himself will not be present but his 92-year-old mother Laura, his brother Paul, his sister Margaret and the family dog Barney, all of whom live in the area will put in an appearance. "I don't think we are inviting many Europeans but we will have lots of people," says a spokeswoman for the Post Office.



The frighteners

HAVING raised more than £12,000 from the platform of the Tory Party conference last year Jeffrey Archer, now Lord Archer of Weston-super-Mare, has stepped down from the role. Tim Rice, following his former musical partner Andrew Lloyd-Webber in championing the Tory cause, is stepping into Archer's shoes for the first time.

It will be Rice's second public outing in Tory colours his first was to host a "John Major meets the people" event during the general election. Rice, who has never spoken to the Tory conference before, is understandably nervous about performing as the prime minister's warm-up act and has turned to Archer for help. "I was happy to let Tim take over. It is great fun. But it

can be nerve-racking with the entire cabinet looking on," says the best-selling author. Last year, Archer says, he found an easy way to persuade people to part with their money. "I listed each member of the shadow cabinet in turn. If the Kaufmanns and Hattersleys were worth pound coins and perhaps the odd fiver, by the time I got to Neil Kinnock the banners were pouring into the collection tins." Whether the names of Blair, Brown and Smith can strike similar terror in true blue hearts we will learn on Friday morning.

In veritas, vino

THE FLOWERS that are the decorative mainstay of churches throughout Britain took second place to baskets of grapes in the city of London yesterday as the wine trade celebrated the vintage at St Olave's church. After a sermon by the Bishop of Stepney, the Right Rev Richard Chartres, and a reading from Lord Marchwood, president of the wine and spirit trades' benevolent society, wine was served from a side chapel.

Are such bacchanalia not a little, well, inappropriate on hallowed ground? "Far from it," says Brigadier Keith Olds, of the society. "Historically churches were the only halls large enough to cater for such community events."

Despite the much quoted phrase "never act with children, dogs or Denholm Elliott", the late lamented actor was always in much demand. One of the very few who failed to appreciate his talents was George Bernard Shaw. As a young man Elliott was cast in Shaw's last play, *Buoyant Millions*. "He definitely didn't like me," Elliott once reminisced. "Shaw shouted at me: 'My words are made to be heard, young man, and I can't hear a word you're saying'."

EX-120150



LAMONT'S LAST STAND

Tomorrow morning, when he addresses the Conservative Party conference in Brighton, Norman Lamont has an excellent chance to save his job. He can also save the jobs of many thousands of his fellow citizens. He may even rescue some of his reputation.

With such inducements before him, Mr Lamont ought to be able to announce a new economic policy to replace the fixed exchange rate strategy that failed three weeks ago. If Mr Lamont is planning immediate changes, preparing a cut in interest rates and a credible programme to reduce public borrowing and spending, he deserves to continue as Chancellor. If, however, he feels unable to lead the country in a new direction, he should be preparing to resign.

There is no need for the Chancellor to announce the details of his new monetary targets or to explain exactly which public spending programmes will be cut. What Britain needs to hear tomorrow is a clear statement of objectives, and the means for achieving them. The main objectives must be to stimulate an early recovery from the recession and to ensure that recovery does not provoke a new bout of inflation.

There should be no question of making either recovery or price stability the "over-riding objective". If the Chancellor does not think that both can be attempted at once, if he insists that the government must have an "absolute" commitment to fighting inflation, he cannot stay in office. After September 16, nobody is going to believe that one of his objectives is "absolute".

The means of achieving these objectives should be equally clear. The new economic policy should have four main components. Interest rates must be set in accordance with the needs of the domestic economy, and not the level of sterling. With interest rates redirected to stimulating the economy, and the exchange rate left to market forces, the main burden of anti-inflation policy must fall on government decisions about public borrowing and spending.

Monetary targets must also be announced to offer some reassurance against gross

policy misjudgments. But the Chancellor must acknowledge publicly that no single monetary indicator is ever going to be a foolproof guide through the constantly changing complexities of economic events.

To demonstrate the seriousness of its commitment to fighting inflation, the government should impose a freeze on public sector pay. That would make far more impression on the financial markets and private employers than a hundred monetary targets and promises to stabilise sterling.

The Chancellor could easily make such a statement of principles tomorrow, with no need for further Treasury briefings and no danger of putting the delegates in Brighton to sleep. The concept at the heart of the package — that a domestically-oriented policy of low interest rates should be balanced by the anti-inflationary effect of tight fiscal targets — almost certainly accords with Mr Lamont's personal instincts.

But on its own a statement would not be enough. Government credibility is weak, and there is no reason why the public should believe mere promises of lower interest rates in exchange for public spending cuts. Business and consumer confidence have collapsed as a result of the devaluation. His own fellow Cabinet ministers have sabotaged the Chancellor's efforts to explain the potential benefits of a lower pound. The Treasury argues that the fall in the exchange rate has been equivalent to a monetary easing, but this benefit has probably been more than offset by waning confidence.

With ministers warning that interest rates may even have to rise to defend sterling, mere words from the Chancellor would make little impression on the public, the business community or the financial markets. Mr Lamont must show that he still has the power to make decisions, and that the Prime Minister backs him against the counsels of despair from Michael Heseltine and Kenneth Clarke. There is one way he can do this by quickly announcing another cut in interest rates. If Mr Lamont lacks either the confidence or the authority to do that, he should recognise his failings and go.

THE TORY SPLIT

There seemed a danger yesterday that Lord Tebbit would win himself a longer ovation at the Tory party conference than John Major will receive on Friday. If the Conservative leadership needed any proof of the strength of opinion against Maastricht among its members, the reception accorded to Lord Tebbit provided it. It was the former chairman who had his arms in the air like an American presidential candidate; it was the current prime minister, and his grey eminence, Douglas Hurd, who sat on the platform like men drained.

Yesterday's rumbustious debate recalled the great Labour and Liberal party rows over nuclear disarmament. Shout of "Rubbish!" (and worse) greeted many speakers, feet were drummed on the floor and even the foreign secretary was heckled. The mere announcement that a representative was to speak in favour of the motion won a collective hiss from the floor. If the matter had not been so serious, the debate could have been enjoyed as pantomime.

The Tories, mirroring the whole country, are riven right down the middle over Europe. If the sceptics were perhaps marginally outnumbered by those standing behind the government, they made up for it by the strength of their feeling. The loudest cheers from the floor greeted calls not to ratify Maastricht, but to hold a referendum and for the government to allow a free vote on the bill.

Mr Major is lucky that many of his fiercest critics, including his predecessor and Lord Tebbit, are now enmeshed in the Lords. But yesterday Kenneth Baker set out his anti-Maastricht stall at a fringe meeting. He hinted that he will vote against the bill, thus offering himself as leader of the rebels. The debate, he said, was not between pro- and anti-Europeans, but between those who want Europe at any price and those who want Europe at the right price.

THE TENTH PLANET

The discovery of a new planet puts earthlings and their subliminal concerns in their places. As planets go, the one that has just swum into the ken of watchers of the skies at the University of Hawaii, is not much to write home to Galileo about. It has a diameter of only the distance from London to Liverpool, when the M6 is not clogged off.

It is dark with an eternal permafrost colder than anything imaginable on Earth, lying in cold storage in the top drawer of the solar system's deep freeze. Its colour appears reddish to the astronomical instruments, suggesting that its surface is rich with the primordial organic matter. It revolves around the sun only once every 262 years. Its brightness is 6 million times fainter than anything that can be seen with the naked eye, so that it can be observed only by mega-telescopes at just the precise moment, when the Moon is full. This is not so much a planet as a twinkling of a huge lens, or, in the jargon of the trade, a planetesimal.

Nevertheless, for astronomers if not for Keatsian sky romanticists, this is the most exciting celestial discovery since Pluto in 1930, or the sighting in 1801 of the first member of the asteroid belt, the thousands of little planets between Mars and Jupiter.

This is not Planet X, the tenth planet that is implied by irregularities in the orbits of the other nine. But, invisible to laymen though it is, floating 6,000 million kilometres away in space, this is the most distant object in the solar system yet to be identified by man. There is a good bet that it is the first of a belt

of icy little planets, which the Dutchman, the late Gerard Kuiper, predicted would be found out there, beyond Pluto, as the debris from the birth of the universe, when a disk of gas and dust condensed to form the sun and the planets. One of the sightings of the new planet suggests that it may be one of "the primordial building blocks of the planets; that would be real news".

Astronomy of the past decade has been more than neat: it is breathtaking. At present the new planet is named 1992 QB1, though its discoverers want to call it Smiley, after the elusive master spy in John le Carré's thrillers, whom they were discussing at the time it swam into view.

The naming of planets is a mystical business. The nine seen so far have been named after the mythical gods and goddesses of Greece and Rome. When Herschel discovered his planet, he named it Georgium Sidus, in honour of George III. It soon became Uranus of problematic pronunciation. The first asteroid to be discovered was named for Ceres, after the patron saint of Italy.

If there are indeed, as supposed by astronomers, thousands of little planets in this long-suspected but only just discovered Kuiper Belt, the fallout from the beginning of the universe, there may not be enough deities even from terrestrial polytheism to supply names for them all. So there will be a chance of immortality up towards the stars for many a stealthy character from fact and fiction, in the starsteps of Arethusa.

UK 'blind eye' to Azeri racism

From Lord Avebury and others

Sir, During the August conference on the former Yugoslav states, the whole world condemned the atrocious crime of "ethnic cleansing" in Bosnia and Croatia. Although they have not been able to stop the Serbians, who are the main perpetrators, the United Nations have tightened sanctions against them and increased their military presence in the territories affected. The secretary-general of the United Nations and the prime minister have both forcibly and rightly condemned ethnic cleansing.

We are deeply concerned, therefore, to learn that the president of the Board of Trade, Mr Michael Heseltine, recently took a high-level business delegation to Baku, where BP have opened an office (report, Business News, October 1). In a press statement about his trip, Mr Heseltine said: "I want to see the UK play a leading role in assisting the development of the Azeri economy..."

The Azerbaijan government is actively engaged in ethnic cleansing of the Armenian enclave of Nagorno Karabakh and Armenia itself; it brutally deported villagers from Nagorno Karabakh last year. It used GRAD multiple rocket launchers, and recently SU25 and MIG fighter bombers, against Armenian civilians.

In this case, however, the UK government appears to be giving aid and comfort to the racist oppressors. British support of the Azeri government amounts to tacit acceptance of its inhuman policies, and will encourage it to continue mass-murdering Armenians, knowing it is immune from criticism because we want Azeri business. This could encourage other aggressors to grab territory when they see that, for Britain, valuable trade takes precedence over human rights.

True British interests are never served by turning a blind eye to oppression and cruelty.

Yours faithfully,
AVEBURY (Chairman,
Parliamentary Human Rights Group),
CAROLINE COX,
DAVID ATKINSON,
Palace of Westminster,
October 2.

Opera house report

From the Chairman of the Royal Opera House

Sir, The board of the Royal Opera House commissioned Price Waterhouse early this year to carry out a scrutiny of working practices in the house because we are determined to match artistic excellence with good housekeeping.

Our consultants' report is thorough and constructive and we shall implement it. Their conclusions, however, show more understanding of the purposes of the Royal Ballet and the Royal Opera than does your leader, "Operatic fantasy" (October 2).

The fact that big changes have been "well aired" in the press does not automatically validate them. There is no suggestion either in Price Waterhouse or Lady Warnock's appraisal that we should relinquish our orchestra, chorus and corps de ballet and perform on a seasonal basis only.

Such measures might well satisfy market economics, but they have little to do with the proper stewardship of the Royal Opera House. If introduced they would dismantle the means by which our companies have earned their world-wide reputation and brought credit to this country. The effect of your prescriptions on the Royal Ballet would be to destroy it. Efficiency in management does not mean losing sight of the artistic purposes and needs of the companies and we do not intend to do so.

We share with you, Sir, a strong desire to see more affordable seat prices at Covent Garden. Disappointingly, Lady Warnock's appraisal does not advocate such a policy. Broadcasting and external performances are excellent in themselves, but they should not be treated as a substitute for greater accessibility in the Opera House.

That must remain one of our principal aims, together with maximum efficiency in the use of resources and the maintenance of the artistic standards which both reports acknowledge.

Yours faithfully,
ANGUS STIRLING,
Chairman, Royal Opera House,
Covent Garden, WC2,
October 5.

From Mr Adam Westoby

Sir, I do not pretend to understand the proper distribution of noughts in public support for the arts, but pending Covent Garden's £250 million redevelopment in 1997, perhaps £2,000 or so could be earmarked for a retracting wheelchair lift at the Floral Street entrance. It could be installed in an afternoon.

Yours faithfully,
ADAM WESTOBY
(Member), London Wheelchair Access Committee,
75 Chambers Lane, NW10,
October 3.

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Letters should carry a daytime telephone number. They may be faxed to 071-782 5046.

LETTERS TO THE EDITOR

1 Pennington Street, London E1 9XX Telephone 071-782 5000

Euro-sceptics and the Conservative policy divide

From Dr J. M. Wober

Sir, Your report (October 5) on the poll showing that 68 per cent of the British public would vote "against ratification of Maastricht" begs the vital questions of who knows what the treaty contains and to what extent that knowledge may affect a "yes" or "no" verdict.

Unless polls are used to shed some light on why people have their various opinions, as well as on what those opinions are, and who holds them, they may function as "loose cannons" amidst the political process. The same point was made by your correspondent Sir John Killick (September 22), after the French referendum. I hope your next poll will take note.

Yours sincerely,
MALLORY WOBER,
Flat c, 17 Lancaster Grove, NW3,
October 5.

From Mr Patrick Robertson and Mr Christopher Monckton

Sir, Your leader, "Ending the Euro-schism" (September 29), concludes that if the prime minister promises to keep sterling out of any European currency system the Euro-sceptics should consent to ratify the "filled corpse of Maastricht". Yet the monetary provisions of the Maastricht treaty, economically damaging though they are, represent less of a threat to Britain's democratic constitution than the political provisions.

The Foreign Secretary and Mr Tristan Garel-Jones, by saying that Maastricht is a "decentralising" treaty, have improperly manipulated public opinion. The truth is that Maastricht would increase the number of common European policies from 12 to 29, thereby giving the European Commission and the central bank the sole power to initiate (and hence veto) Community legislation in more than 70 additional fields.

These include taxation, monetary policy and coinage, education, home affairs, immigration and visas, judicial policy, health and social affairs, industrial, competition, R & D, commercial and regional policies, foreign and security affairs, Third World aid, energy policy and consumer affairs.

Furthermore, the Maastricht small print reveals that the Community's decision-making power is stacked in favour of the Commission, most of whose proposals may be agreed by a mere majority vote in the Council of Ministers, but may only be amended by unanimity.

Some of the most far-reaching yet least-discussed aspects of the treaty are the articles which establish "European citizenship", and which oblige member states to "refrain from any action which is contrary to the interest of the Union".

At best, the Maastricht treaty is a perverse diversion from the critical choices which the government has yet to face with regard to the economy and the Gatt world trade talks, the successful conclusion of which must be the top priority for a Britain in deep

recession. At worst, it represents a source of internal and external conflict which not only has isolated Britain but has led to the worst relations with our Community partners in recent memory.

Yours faithfully,
PATRICK ROBERTSON
(Co-ordinator),
CHRISTOPHER MONCKTON
(Member),
The Bruges Group,
63 Duke Street, W1,
October 1.

From Sir Anthony Beaumont-Dark

Sir, As an MP for over 13 years in the Conservative cause, who was always willing to make a stand on what I considered vital issues, I appreciate the stand that some members are taking on the Common Market problem; but I have to say that some of their language is not only hyperbole but damaging to a sensible debate.

Anybody not just Conservatives, should be a sceptic about great power being given to any organisation — not least to Brussels. That is one thing: Euro-phobia is different altogether, and it is not frankly sustainable in a modern world.

John Major has shown that he is as much a sceptic as any of us and is fighting sensibly for sensible changes. I must say to my former Conservative colleagues that I would rather fight in the jungle alongside him than any alternative leader.

Knowing the prime minister as I do, I regard it as unlikely that he would stay just to retain power. He is not that kind of man or leader, and if he went I believe that a Conservative government would fall with him. What would then take their place would make the Euro-phobes have something really to howl about — and the rest of us.

I urge them not to sink their principles, for there is no need, nor to sink the party and the country for a mess of portage.

Your obedient servant,
ANTHONY BEAUMONT-DARK,
124 Lady Byron Lane,
Knowle, Solihull, West Midlands,
September 30.

From Sir Ian McGeoch

Sir, With respect to Lord Cobbold (letter, October 5) I wish to question the wisdom of seeking to re-divide the nation, politically, into "European" and "nationalist" parties. We are facing a crisis just as severe as, and not altogether different in character from that of the early 1930s. Then, our leaders sought to unite rather than divide the country. Our unique political process served to provide a national government which, though not particularly talented, was strong enough to retain the consent of the governed to severe measures of economic restraint.

In recent times the truce between capital and labour has been bought at too high a price. Only a national government could impose the cuts in

expenditure without which the books cannot be balanced, and unless that can be rapidly achieved Britain's voice in the councils of Europe and the world in general will not be heard.

May I suggest also that the main business of these councils should once again be confined strictly to a harmonious development of economic activities, a continuous and balanced expansion, an increased stability, an accelerated raising of the standard of living and closer relations between its member states (article 2, Treaty of Rome).

In particular, what seems to be needed is the development and application of a system for the regulation of markets which might be termed the "automatic limitation of excess". The technical means now available, with which vast financial transactions, global in extent, are daily carried out must surely be utilised to bring about and maintain a "steady state".

Yours faithfully,
IAN McGEEOCH,
Southens,
Castle Hedingham,
Halstead, Essex,
October 5.

From Mr Martyn Bond

Sir, Graham Mather ("A Maastricht repair kit", October 1) emphasises the need to ensure that national parliaments debate new proposals before they become EC law, in order to "make EC-wide political discussion meaningful and credible". EC-wide political debate is already alive and well in the European Parliament, meeting in plenary session in Strasbourg each month and in its 19 specialist committees in Brussels.

The European Parliament welcomes steps to strengthen the scrutiny of national governments' European activities by national parliaments. It also encourages increased co-operation between national parliaments and the European Parliament. But we should be careful not to ignore what has already been achieved. We need to strengthen the existing construction rather than dig new foundations.

Yours faithfully,
MARTYN BOND (Head, European Parliament UK Information Office),
2 Queen Anne's Gate, SW1,
October 1.

From Professor Kenneth Minogue

Sir, Graham Mather's suggestions for a Community policy are devalued by his use of the term "Euro-phobia" to cover people more commonly called "Euro-sceptics".

Scepticism is an intellectual judgment, phobia a disorder of the passions. This kind of abuse is one barrier to intelligent discussion of our relations with Europe.

Yours sincerely,
KENNETH MINOGUE
(Chairman, Bruges Group),
c/o H. M. Boyd,
63 Duke Street, W1,
October 1.

Road hold-ups

From Mr Howard C. Friend

Sir, How succinctly Miss Annabel Frazer demonstrates (letter, October 1) the superiority of French to British life, as measured in the number of traffic cones between Paris and Calais and Dover and London.

However, my wife and I have just spent a fortnight's holiday which involved driving from London to Aberystwyth, then up to the western isles of Scotland, then back to London (a distance of well over 2,000 miles) without enduring a single delay caused by traffic cones.

I have also encountered some of the worst traffic delays of my life around Paris, Cologne and Munich without a single traffic cone to be seen.

Yours faithfully,
HOWARD C. FRIEND,
12 Heathcote Road,
Twickenham, Middlesex,
October 1.

From Mr John Suchet

Sir, Last June my wife and I drove from London to Bordeaux. Between London and Dover (M25 and M2, around 90 miles) we were held up 11 times by motorway repair works. (When it's that many, you do count, believe me.) We missed our ferry, between Calais and Bordeaux (A1 and A10, over 400 miles) there was not a single hold-up, not a single cone.

The difference, of course, the English leg of the journey was free; the French leg cost around £30 in tolls. It seems to me you get what you pay for.

Yours faithfully,
JOHN SUCHET,
Chiltern Court,
Baker Street, NW1,
October 1.

From Mr D. P. Coleman

Sir, You do not see road works in France because the French simply close the road and send you miles (kilometres?) out of your way with a shrug of the shoulders and a pair of *route barrée* and *déviations* signs. Not content with that they allow hordes of tractors (we counted over 25 in 100 miles) on main roads as a further aggravation. Bring back the cones!

Yours faithfully,
D. P. COLEMAN,
9 Elm Road, Wade Court,
Havant, Hampshire,
October 1.

been provided for work created by the act and we hope that promises of further expansion in the next two years will not be affected adversely by current economic problems. The success of the act, and the cost-effectiveness of the criminal justice system, could be at stake if these promises are not met.

Dire predictions about the effect of industrial action, threatened by the National Association of Probation Officers, are also exaggerated. At worst, this action would prevent introduction of the new provisions of the act. If pre-sentence reports were not prepared, offenders would be sent into custody instead of receiving community sentences.

These negative reactions to the act, while disappointing, are predictable. Radical change is needed to reduce the costly and, sometimes, downright dangerous effects of our present dependence on custodial sentences. Such major changes are usually difficult and, therefore, unwelcome. The squeals of protest may be a clear signal that this act could make a difference.

Yours sincerely,
JENNY ROBERTS, Chair,
Association of Chief Officers of Probation,
3-4 Shaw Street, Worcester,
October 2.

Judges' pensions

From Mr Christopher Thomas, QC

Sir, Lord Ackner's letter (September 25) identifies a point of even wider concern than the decrease in judicial remuneration. Your paper has not been alone in carrying comment on the retiring ages of judges and the Judicial Pensions and Retirement Bill must have a practical impact on them.

To increase from 15 to 20 years the minimum period of judicial service for entitlement to a full pension must surely increase the likelihood of an older judiciary in the future. The advancement to full pensionable entitlement over the years must also be influential.

A pensions expert or actuary may more accurately predict the impact on the age of the judiciary but the effect of the additional five-year period ought to be generally apparent.

Whilst the appointment of judges earlier may be advanced as a policy, it would seem to be negated in reducing

the overall age of the judiciary in years to come if the proposal becomes law.

If society is regarded as better served by a younger judiciary then this aspect should also attract attention in the debate as to whether the bill should be rejected.

Yours faithfully,
CHRISTOPHER THOMAS,
10 Essex Street, Outer Temple, WC2.

From Ms Sally Smith

Sir, What a heart-rending letter from Mr Stephen Gratwick, QC (September 29) about the "severe financial penalty" judges are suffering. I appreciate that with between £54,064 and £108,940 per annum it must be difficult to make ends meet. If this leads to judges having to resort to bribery, as Mr Gratwick warns might happen, we have nobody to blame but ourselves for being so "parsimonious".

Yours sincerely,
SALLY SMITH,
61 Outwoods Drive,
Loughborough, Leicestershire.

OCTOBER 7 1992
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● FOCUS 23-26
● COMMERCIAL
PROPERTY 28

BUSINESS TIMES

WEDNESDAY OCTOBER 7 1992

BUSINESS EDITOR JOHN BELL

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SPORT
29-32

Stock market rebounds on back of sterling

Pound stages strongest rally since ERM exit

By COLIN NARBROUGH AND MICHAEL CLARK

THE pound staged a timely rally for the opening day of the Conservative party conference. Overnight, buying in the Far East pushed it to DM2.4548 by the London opening, up more than six pence from Monday.

Sterling's better performance encouraged share prices to claw back some of Monday's sharp falls on the stock exchange.

Despite uncertainty about economic policy, sterling held on to most of its gains to stand at DM2.4509 at the official 4pm close. Against the dollar, it ended little changed at \$1.7145. But the Bank of England's trade-weighted sterling index rose by 1.1 to 81.7.

Currency analysts described the pound's sharp comeback from Monday's record low of DM2.3696, its best day since Britain left the exchange-rate mechanism, as a largely technical correction that reflected the unwinding of short positions. Uncertainty about whether Norman Lamont, the Chancellor, will spell out his new economic policy at Brighton, or wait for an appearance before a Commons select committee next Monday, also fostered market caution.

In Whitehall, some of sterling's improvement was attributed to the prime minister's forceful reaffirmation of his commitment to ratifying the Maastricht treaty. But doubts persisted in the City about the durability of the rebound. The much-awaited enunciation of

the policy that is to replace Britain's participation in the exchange-rate mechanism could help the market decide which way to jump. Analysts felt, however, that there was so far little to suggest a policy shift that would convince the markets that the background for the pound was more favourable.

A general decrease in volatility in the currency market, and a firmer dollar, helped sentiment for sterling. But the market remains concerned about the poor fundamentals for the currency.

Avinash Persaud, currency economist at UBS Phillips & Drew, said hopes of a internationally co-ordinated move to restore stability are likely to go unfulfilled. He expects sterling to drop to about DM2.30 by the end of the year. Any disappointment on economic policy would also bring renewed pressure on the pound, he said.

The dollar strengthened on short-covering after Wall Street began to stabilise on Monday night after market expectations of a fresh cut in the American discount rate started to wane. The latest labour market and orders figures from Germany appeared to have little impact. The dollar gained more than three pence against the mark to DM1.4260 during European trading.

The Italian lira, like sterling, persisted in the City about the durability of the rebound. The much-awaited enunciation of

of 909.19 in late afternoon, after a morning low of around 980, moving in huge swings that caught dealers off guard.

In Britain, the government's longer leading index, which identifies turning points in the economy about a year ahead, showed fell to 103.5 in August, down 0.3 in July, government figures showed. The decline mainly reflected a fall in share prices.

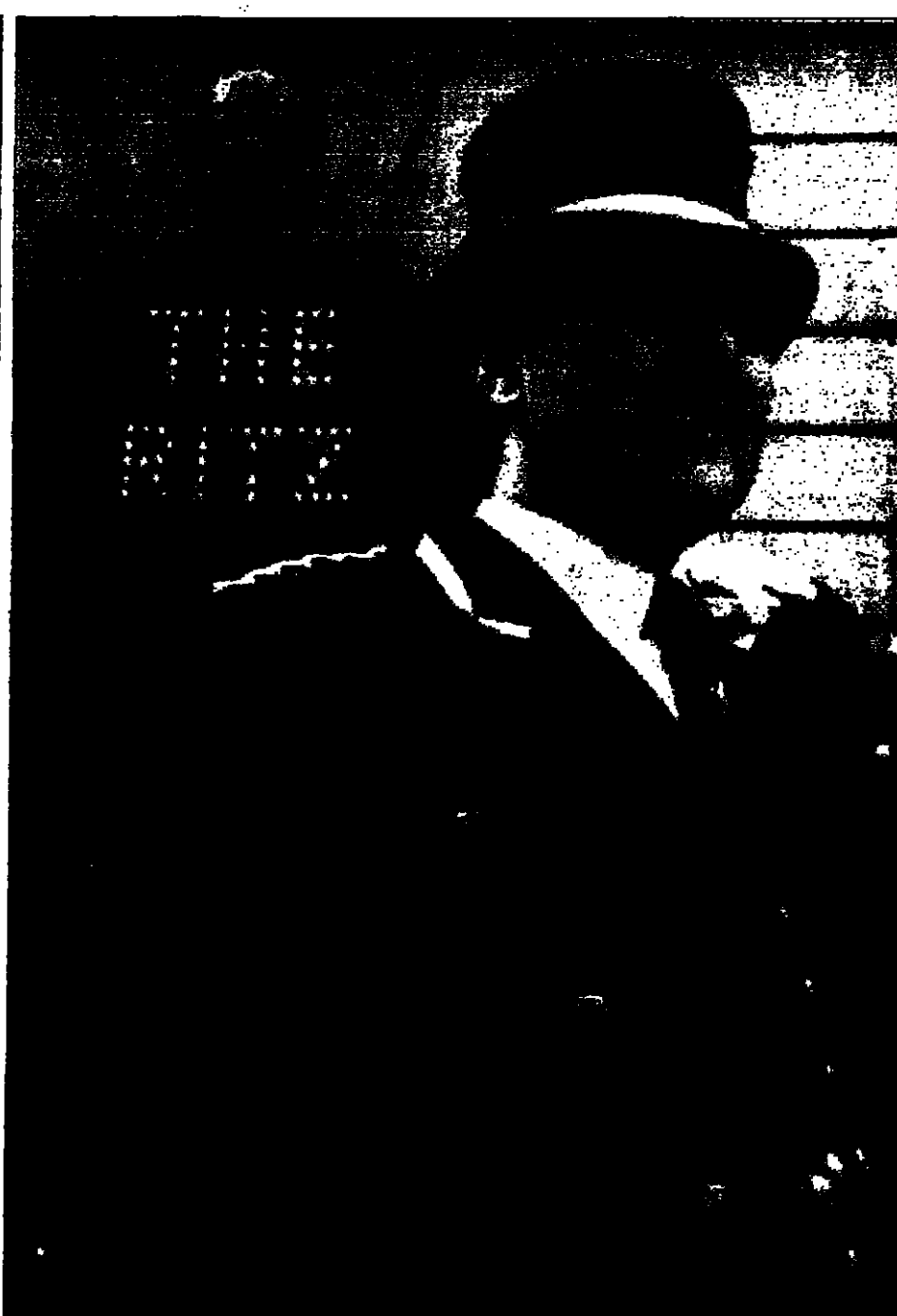
The FT-SE 100 index, which suffered its biggest one-day fall on Monday since the stock market crash of October 1987, recovered some of its poise to finish 42.1 higher at 2,488.4. But it continues to nurse a fall of 60 points over the two-day period, although the general feeling in the market yesterday was that Monday's fall had been overdone.

Share prices started the session on a firmer note, cheered by the late rally on Wall Street and a positive performance in Tokyo. It was the pound's biggest rally against the mark since it was devalued last month and helped to bolster sentiment, as well as keep alive hopes of a cut in bank base rates before too long.

However, there was little evidence of genuine retail business: investors were unwilling to open fresh positions before the Chancellor's speech at the Conservative party conference in Brighton tomorrow. By the close of business, only 467 million shares had changed hands. The bulk of turnover came from market-makers arbitraging between the cash and futures markets to cover individual positions. As one leading broker commented: "This is no market for investors of a nervous disposition."

Government securities had a nervous session, unsettled by worries about the economic outlook. Prices in long futures fluctuated throughout the afternoon, closing with small losses. But at the shorter end, some gains were recorded, cheered by sterling's performance.

Stock market, page 20
Comment, page 21



Welcoming ways: afternoon tea, at £13 a head, offers an affordable entry into The Ritz

Putting on the Ritz helps attract fleeting visitors

By MATTHEW BOND

EVEN in the depths of recession, tea at The Ritz is still one of the hottest tickets in town. At £13 per person, it is one of the more affordable ways of rubbing shoulders with what remains of the bright and the beautiful.

For tea apart, The Ritz is still a deliciously expensive affair. Venture off the fixed menu and lunch or dinner is likely to set you back a three-figure sum. Overdo it on Ritz own-label vintage champagne and a standard room will cost £220 a night to retire to. For a room with a view over Green Park you will need £640.

Regardless of, or perhaps because of, the cost, people have flocked to The Ritz ever

since it opened in 1906. Designed by Charles Mewès and Arthur Davis, students of L'Ecole des Beaux Arts and the designers of the other Ritz in Paris, the chateau they built on Piccadilly quickly became a centre for the beau monde. Its popularity has occasionally been interrupted by such passing diversions as night clubs in the twenties and the blitz, but the Palm Court always bounces back.

Presiding over all the high society goings on is the improbable but considerable figure of Terry Holmes, the managing director, an east-end boy by birth and now a key member of the Cunard team. To Mr Holmes must go the

credit for the hotel's famously unstuffy welcome.

Like other five-star hotels in London, including its most recent rival, the Lanesborough at Hyde Park Corner, The Ritz has discovered that there is a finite market for what it offers. However, The Ritz has something that the others do not: a lucrative level of referred business from the Cunard shipping business. After all, what better way of recuperating from a transatlantic voyage on the QE2 than by booking into The Ritz for a few nights. Any buyer of the hotel will either have to ensure the relationship with Cunard continues, or have a substitute lined up.

Trafalgar ponders sale of top hotels

By GRAHAM SEARJEANT
FINANCIAL EDITOR

TRAFALGAR House, the construction and engineering conglomerate, has prepared a brochure for the possible sale of its three St James's luxury hotels, the Ritz, Stafford and Dukes, and has already exchanged conditional contracts to sell two Caribbean resort hotels, thought to be worth more than £10 million.

Cunard, the group's passenger shipping business, will also look for a joint venture partner to help it expand.

The plans are disclosed in a hastily assembled defence document aimed at persuading shareholders not to sell shares to the tender offer by Hongkong Land, which aims to raise its stake from 14.9 per cent to 29.9 per cent by Friday afternoon. Sir Nigel Brookes, the chairman, says the 85p offer seriously undervalues the group. "Hongkong Land is attempting to obtain effective control of Trafalgar House through a minority stake".

The board expects a final dividend of only 1.6p per share, against the 4.8p envisaged in its half-yearly report in May, because of the worsening impact of recession. At the offer price, Trafalgar shares, up 0.5p to 84.5p, would yield 9.4 per cent on the full-year dividend of 6p per share.

Borrowings, source of much adverse speculation, were £360 million at the end of September, less than analysts had expected. The group has also guaranteed £115 million loans by associated companies. That left unutilised long-term committed borrowing facilities of £440 million. Sir Nigel says the group is within borrowing covenants.

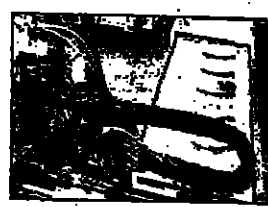
There is no profit estimate for the year just ended, because provisions against values of properties and developments have yet to be fixed. These will depend in part on the outcome of a dispute with the Financial Reporting Review Panel over reclassification of some development properties as investments in the previous year.

The board says operating profits of the main engineering business will be significantly ahead of last year's £60.4 million but profits are well down elsewhere. Analysts expect group pre-tax profits between £90 million and £100 million before provisions, down from £122 million.

Comment, page 21

TODAY IN BUSINESS

NOTEWORTHY



Just when you thought music technology had reached its zenith, Sony and Philips are again bending musical ears with new gadgets
Page 21

GERMANE

German unemployment fell in September, but fears of recession remain and the battle against inflation has yet to be won
Page 19

RUSH HOUR



Fiat is to spend £5 million in Britain on new dealership sites in an attempt to improve its meagre share of a depressed car market
Page 18

RAINE FALLS

The 1991-2 pre-tax profits of Raine Industries fell from £20.5 million to £13.5 million, reflecting the fact that the recession in the construction industry continues to bite
Page 20

FIRE-UP



Trinity Holdings, manufacturer of specialist vehicles from Dennis fire engines to refuse disposal vans, is going public after a share placing and offer at 120p a share
Page 19

THE POUND

US dollar 1.7145 (-0.0015)
German mark 2.4509 (+0.0579)
Exchange index 81.7 (+1.1)
Bank of England official close (4pm)

STOCK MARKET

FT 30 share 1814.2 (+34.8)
FT-SE 100 2488.4 (+42.1)
New York Dow Jones 3177.65 (-1.35)*
Tokyo Nikkei Avge 17268.10 (+166.60)

INTEREST RATES

London Bank Base: 9%
3-month interbank: 9.5%
3-month eligible bills: 8.5-9.5%
US Prime Rate: 6%
Federal Funds: 3.5%
3-month Treasury Bills: 2.72-2.70%
30-year bonds: 9.5-9.8%

CURRENCIES

London: New York
£ \$1.7105
£ DM2.4468
£ Sfr1.2441
£ FF6.2386
£ Yen204.83
£ Index: 81.7
ECU: £0.79601 SD: £0.886738
£ ECU1.25023 £ SD1.153751
London Forex market close

GOLD

London Fixing:
AM \$350.50 PM \$350.30
Close \$350.00-350.50
\$203.75-204.75
New York:
Comex \$349.95-350.45*

NORTH SEA OIL

Brent (Oct) \$20.25/bbl (\$20.25)

RETAIL PRICES

RPI: 138.9 August (1987=100)
*Dropses midday trading prices

Texaco confirms staff shift to Docklands

By OUR CITY STAFF

TEXACO, the American oil group, yesterday confirmed it would move 1,000 staff to Canary Wharf in the first quarter of next year.

While the relocation is almost the first piece of good news the bankrupt development has received since it passed into administration in May, it has been at a price. Texaco's option to purchase the 230,000 sq ft at 1 Western Circus can be triggered quite cheaply after 10 years for £30 million.

Texaco had originally intended to move from its Knightsbridge headquarters last August, but the relocation was postponed after Canary Wharf went into administration. A company spokesman said that the decision to proceed with the move was made

after lengthy talks with administrators and the scheme's bankers. In addition to 1 Western Circus, Texaco is renting an extra 30,000 sq ft on two floors at the adjacent building, 7 Western Circus.

Other prospective tenants have not been as forthcoming as Texaco. American Express recently confirmed it was not moving its head office to Canary Wharf, while Manufacturers Hanover, the investment bank, is also seeking offices elsewhere in the City.

Last week, the administrators made their final formal proposal to the government over private sector funding to the Jubilee Line extension into Docklands. A decision on the Jubilee line is expected this week at the Conservative party conference.

Ex-Maxwell finance director arrested

By ANGELA MACKAY

ROBERT Bunn, the former finance director of Robert Maxwell Group, was arrested yesterday and charged with conspiracy to defraud over his role in the Maxwell affair. The amount involved in the charge was not quantified but it is believed to relate to about £50 million of shares in Berlitz International, the language tuition group.

Mr Bunn, 46, was charged that on divers days between November 1, 1990, and the December 31, 1991, he conspired with others to defraud a syndicate of 35 banks led by Swiss Bank Corp and Credit Lyonnais by knowingly and dishonestly being a party to the pledging of common stock in Berlitz International Inc by way of security for loans to third parties in breach of the

terms of a loan agreement dated October 23, 1989, between the banks and Maxwell Communication Corp.

Ian Burton, Mr Bunn's solicitor, said his client had been arrested by City of London Police by arrangement with the Serious Fraud Office and that he had been helping enquiries over the past few months. Mr Bunn was released on police bail to appear at City of London magistrates court on December 1, when Kevin and Ian Maxwell and Larry Trachtenberg will also appear.

Kevin Maxwell has failed in his second High Court attempt to force disclosure by the SFO of the documentary evidence forming the basis of the theft and conspiracy charges against him.

Heseltine rewrites the Parker script

By PATRICIA TEHAN

PARKER Pen directors may have thought they were home and dry this time. But their fourth attempt to sell the company has run into a rather large hurdle, the Monopolies and Mergers Commission.

Michael Heseltine, trade secretary, referred the £285 million sale of Parker to Gillette to the MMC yesterday on the advice of Sir Bryan Carlsberg, director general of fair trading. The MMC's report is due in January.

The four directors who led Parker's £70 million buyout from Manpower in 1986 stand to share £28.5 million if the sale goes ahead. The OFT is concerned that the sale would give Gillette,



Parker sale sent to MMC

the American owner of Paper Mate and Waterman, control of substantially more than half of the refillable writing implement market in the UK, worth £100 million a year.

Parker is already a world leader in the supply of refillable pens. The OFT believes that although it would appear to be an easy market for potential suppliers to enter, the importance of a strong brand name tends to exclude new entrants.

The OFT received complaints from retailers that brand awareness of the combined group would be further strengthened and its ability to put up prices enhanced.

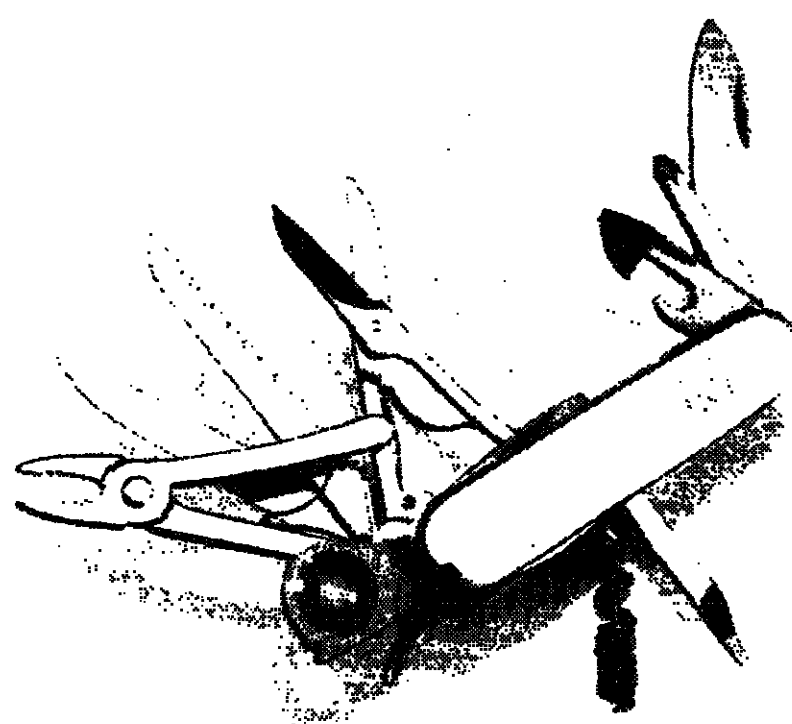
Robert Barnsley, Parker finance director, rejected complaints that consumers will suffer if the sale goes ahead. He said: "We do not believe that there would be a disadvantage to the buying public. There are still many writing instrument makers. The two

also need regulatory approval in France, Germany, Canada and America. The Parker directors and managers control 31 per cent of shares, valuing their stake at £88 million; four directors hold 10 per cent.

Schroder Venture, Electra and Chemical Equity hold 51 per cent of shares in issue, the Parker family holds 16 per cent and a pension fund holds the remaining 2 per cent.

The directors first planned a flotation in November 1987, but it was called off after Black Monday. They tried again in June 1988, but backed off when the market dipped. A friendly £180 million takeover by Pentland failed in December 1988 after disagreements over warranties and indemnities.

BUSINESS GIFTS

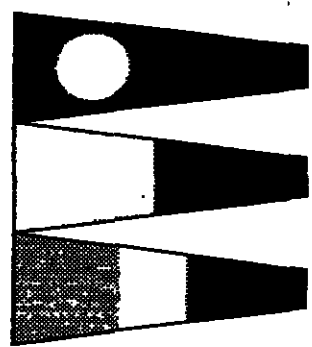


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NOTICE TO TRAFALGAR HOUSE ORDINARY SHAREHOLDERS



TRAFALGAR HOUSE

PUBLIC LIMITED COMPANY

Hongkong Land has acquired 14.9% of your company and has submitted a tender offer for a further 15%

Trafalgar House recommends shareholders not to accept the tender offer

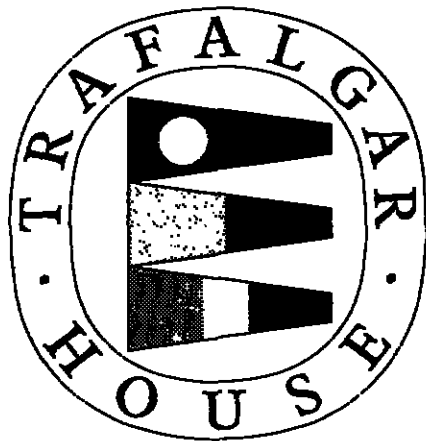
Your board believes that:

- the price offered by Hongkong Land is inadequate and seriously undervalues Trafalgar House
- Hongkong Land is attempting to obtain effective control of Trafalgar House through a minority stake

JOHN BROWN

TRAFALGAR HOUSE
CONSTRUCTION

TRAFALGAR HOUSE PROPERTY

CLEVELAND
STRUCTURAL ENGINEERINGIdeal
Homes

TROLLOPE & COLLS

TRAFALGAR HOUSE
ENGINEERINGQUEEN
ELIZABETH 2

CUNARD

CEMENTATION

A circular was posted to Trafalgar House shareholders yesterday by the Board of your company

REJECT THE TENDER OFFER

Fiat drives for larger share of UK market

BY PATRICIA TEHAN

FIAT is to spend £5 million on five prime dealership sites in London, Birmingham and Manchester in an attempt to boost its flagging share of the British car market.

The money comes out of £100 million that has been set aside by the Italian car maker to strengthen and improve its dealer network. Fiat will run the new dealerships itself, in addition to its two other prestige dealerships in London.

Giorgio Garuzzo, Fiat's chief operating officer in Britain this week, visiting the company's offices and factories and meeting local MPs. He said he is trying to get a message across to Fiat's 6,000 British staff that the group is committed to the UK.

Fiat has 2.5 per cent of the UK car market, its weakest market in Europe. In the rest of Europe, its market share averages 13 per cent. Despite its weakness in cars, Fiat is the third-biggest non-British automotive company in the country in terms of employees after Ford and Vauxhall.

It is also the biggest supplier of combine harvesters, with a 32 per cent market share, and is also market leader in the supply of agricultural tractors with a 25.7 per cent share. Fiat is the second-biggest supplier of heavy trucks, with a 23.1 per cent market share.

The company ranks fourth in the sale of construction equipment with a 12.2 per cent share, sixth in light commercial vehicles with 3 per cent and tenth in car sales with just 2.5 per cent.

Fiat's poor image problem stems back to the late seventies and mid-eighties, when its cars suffered from early rusting. Signor Garuzzo said Fiat now finds it harder to sell its cars in the UK than any other European country.

He said: "If the customer can be convinced to try a car, it is more likely that he will buy one. It is more difficult to convince a customer to come and try our cars."

"We are to be much more active and effective in develop-

ing our car presence in the UK," he said.

Along with the new dealerships, Fiat is planning a series of steps to improve its image and persuade car buyers to test-drive its cars.

It is offering its 250 dealers dual franchises, encouraging them to sell Fiats alongside Lancias or Alfa-Romeos.

Fiat is trying to improve the service offered by dealers by improving the training and support it provides and using part of the £100 million fund to recapitalise them, by providing the cash for showroom and customer facility improvements.

A spokesman said the company is spending £18.5 billion on new products, "so we have to have a financially secure network" to sell the new products.

Signor Garuzzo forecast an early end to the recession in the automotive markets in Britain.

He said: "I believe that with this devaluation and with the current interest rates in this country, with the long period of time that has passed since the UK went into recession, that we could see an upturn in the British market earlier than expected."

Signor Garuzzo said that while there will be no sudden improvement, "some recovery would not surprise me".



Garuzzo: touring UK

Hanson sells three US subsidiaries

HANSON, the international conglomerate that is bidding £780 million for Ranks Hovis McDougall, has raised \$11 million (£6.4 million) in three separate sales. Lord White, chairman of Hanson's US operation, said the group had sold A&S Building Systems, Halkey-Roberts's lighting systems division, and Endicott's Ranger footwear division. For the year to September, the three businesses made combined operating losses of about \$3 million on sales of \$36 million.

Lord White also announced that Hanson has signed an agreement to sell its Weber Aircraft unit to Air Cruisers, part of France's Groupe Zodiac. The price being paid is \$85 million in cash, a \$37 million premium to book value. The transaction is subject to government approvals and is expected to be completed in early November. For the year to September, Weber, which makes aircraft seats, made an operating loss as a result of several low-margin contracts and manufacturing inefficiencies.

Derwent Valley gains

LOWER interest costs helped Derwent Valley Holdings, the property investment company, to lift first-half profits by 41.9 per cent in the six months to June 30, despite depression in the sector and a dip in revenue from properties. Pre-tax profits climbed to £603,000, against £425,000 last time. Gross rental income held steady at £3.82 million (£3.81 million), although net revenue from properties dipped to £3.15 million (£3.2 million). Interest costs dropped to £1.56 million (£1.73 million). Earnings per share rose to 5.2p, up from 3p last time. The interim dividend stays at 2.9p.

Ben Bailey in the red

BEN Bailey Construction, the Yorkshire property company, made a pre-tax loss of £443,000 (£317,000 profit) in the year to June 30. Turnover was £16.95 million (£16.5 million). Write-downs in development land and property stocks increased to £467,000 (£146,000). There was a loss per share of 2.98p (earnings of 2.16p). A final dividend of 0.25p (0.5p) makes a total of 0.55p (0.8p). The company blamed lower margins and property write-downs for the slump. Little improvement in margins is predicted and further cuts in overhead and production costs are being made.

QS ahead at half time

QS HOLDINGS, the discount clothing retailer, increased pre-tax profits by 6.7 per cent, to £3.86 million (£3.6 million) in the six months to July 31. Turnover was £23.2 million (£20.4 million). Earnings per share were 6.57p (6.07p). There is an interim dividend of 1.56p (1.45p). QS sells women's and children's wear and a selection of menswear in 78 stores in southern England. New stores have opened in Croydon, Hemel Hempstead and Cirencester. An enlarged distribution centre will open next month and benefits from new computer systems are filtering through.

Qantas float next year

QANTAS Airways will not be floated before March and the deal will depend on the state of the equities markets, Ralph Willis, Australia's finance minister, told MPs. The government said in May that it planned to sell Qantas as its domestic subsidiary, Australian Airlines, partly by a public flotation. Its budget for the year to June 1993 assumed proceeds from the sale of about \$1 billion (£426,000). British Airways expressed an interest.

Jobless fall fails to calm recession fears in Germany

By COLIN NARBROUGH, ECONOMICS CORRESPONDENT

UNEMPLOYMENT fell slightly in Germany in September, but the decline in the number of jobless in the eastern regional states was much less than had been expected, and fears of recession in western Germany persist.

Government figures show that unemployment last month in the western half of the country fell to 1.78 million, or 6.5 per cent of the workforce, down from 6.7 per cent in August. In eastern Germany, the slow response of which to massive transfers of funds from the west has disappointed the federal authorities,

ties, the number of unemployed fell to 1.11 million, or 14.1 per cent, in September, from 14.8 per cent in August.

Other official data showed that west German industrial orders dropped 0.4 per cent in August to a level 6 per cent below that of August 1991. The July fall was revised down to 0.7 per cent. The economics ministry said the decline in August orders was primarily attributable to a drop in domestic business. Export orders held steady, despite a decline in vehicle exports.

The two-month comparison showed that industrial orders in July and August were 1.5 per cent down from May and June. Domestic orders were down 1 per cent, and foreign orders were 3 per cent lower, reflecting the sluggishness of markets around the world. Orders for consumer goods were surprisingly strong, with a rise of 3 per cent in the latest two months, but other important categories showed substantial declines.

Compared with last year, orders in July and August were 6.7 per cent lower. Export orders, probably suffering from the strong mark, showed a decline of 8.9 per cent.

Heinrich Franke, head of the federal labour office, cautioned against reading too much into the drop in the number of jobless last month in eastern Germany. He said the movement in no way reflected a recovery, adding that increased investment remained the key to improvement and more jobs.

Seasonally adjusted unemployment in west Germany, regarded by economists as a better guide to labour market trends, showed a rise to 1.86 million in August, its eighth

consecutive monthly gain. Short-time working was also up. Most forecasters expect unemployment to rise in the months ahead.

Despite growing concerns about recession, and Bundesbank encouragement of softer money market rates, Frankfurt economists still believe the German central bank will wait for evidence of success in its battle against inflation before lowering key lending rates. Some analysts believe a cut could come in November; others foresee the Bundesbank waiting until the end of the year. The Bundesbank's tight monetary policy means the mark is likely to gain in strength, especially if other leading economies opt to lower their interest rates in the coming weeks.

German politicians and industrialists are increasingly worried that the strong mark will threaten hopes of economic recovery by making it more difficult to export German goods, while fostering import-penetration.

Henning Christophersen, vice-president of the European Commission, urged Germany to clarify its financing plans for German reunification, to help reinforce European monetary co-operation. At a seminar in Sweden, he said Britain, Italy and Spain needed to raise their credibility, as did Germany, which had an "unclear situation on the financing of the reunification".

The huge increase in Germany's public sector borrowing, arising from reunification, has been one of the main reasons behind the Bundesbank's determination to keep the monetary reins tight, restraining economic activity across Europe.



Fire gazing: a potential customer examines Trinity group vehicles, including Dennis fire engines, that were up for auction earlier this year

Share placing will wipe out Trinity's borrowings

By PHILIP PANGALOS

A SHARE placing will raise £30 million for Trinity Holdings, a designer and maker of specialist vehicles ranging from Dennis fire engines to buses and refuse collection wagons. Trinity, which joins the market later this month, was formed by a management buyout of Hestair's engineering division in 1989. Geoff Hollyhead, chairman and chief executive, led the buyout.

Baring Brothers, the company's adviser, said the placing and intermediaries' offer of 25 million 10p ordinary shares at 120p each would capitalise the group at £61.7 million.

Albert E Sharp is broker to the issue. Trinity's directors will have about 21 per cent of the enlarged share capital; the original backers, which include Citicorp and Bankers Trust, will have about 22 per cent.

Of the money raised by the placing, some £14 million, net of expenses, will go to Trinity's reserves, while £10.1 million will be used to repay outstanding bank loans and other borrowings and £3.9 million will go to redeem the cumulative preference shares. Most of Trinity's debt will be repaid after the issue, leaving the group virtually debt-free.

Trinity's operating profits are forecast to advance to £8.5 million for the

year to January 31, 1993, compared with £5.6 million for 1992 and £4.8 million for 1991. Sales reached £82 million in 1992 and £58 million in 1991.

At the 120p issue price, Trinity would trade on a multiple of 11.3 times forecast pro forma earnings for this year, putting it at about a 15 per cent discount to the market. The pro forma dividend yield at the issue price is 6 per cent, which represents a market premium of about 6 per cent.

Sandy Morris, an analyst at County NatWest, the securities house, said he felt that the package on offer looked "quite reasonable". Mr Hollyhead said: "Trinity has

achieved record output and pre-tax profits every year since its formation. We have achieved significant growth against the background of a contraction of our markets in the United Kingdom, boosted exports to a third of our output and gained market leadership in our principal product areas. We view the future with considerable confidence."

The group has 40 per cent of the British market for fire engines and its Dart mid-sized bus is the biggest seller in Britain. A spokesman said the placing had gone "quite well", with interest from several institutions. The shares are due to start trading on October 19.

Bigger loss at Brown & Jackson

Brown & Jackson, the retailer that owns the Poundstretcher discount chain, is pinning its hopes on a successful Christmas after falling deeply into the red this year.

The company, which is struggling to restore its fortunes after a financial restructuring, saw losses deepen from £4.3 million to £9.7 million in the six months to end-June. The results included a £637,000 write-off on the sale of A&G Imports, a subsidiary. Ian Gray, chief executive, said he was happy with developments so far. He said: "We never claimed this was going to turn round quickly."

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Harmony goes deeper in red

Full-year losses deepened at Harmony Leisure Group, the pub, restaurant and hotel group, as increased exceptional charges took their toll. The USM-quoted company reports a pre-tax loss of £3.68 million in the year to end-March (£2.17 million loss). Turnover declined from £9.05 million to £6.45 million.

Loss per share increased to 13.83p, against a deficit of 8.07p last time. There is again no dividend.

Chilled wine

Simpsons of Cornhill, the City wine bar and restaurant group, did not do quite as well as directors had hoped in the first full year as a listed company. Turnover in the 42 weeks to July 4 was £1.5 million and operating profits were £132,000 before interest charges of £52,000. An absence of tax or a dividend leaves a retained profit of £80,000. Earnings per share were 2.4p. Building work near the Jamaica Wine House was blamed for a fall in trade.

Navan offer

Navan Resources, the Irish exploration group that holds various mineral rights across eastern Europe, aims to raise at least £18.85 million (£4.2 million) to help speed up its European development programme. The money, essentially earmarked for Hungarian mining ventures, will be raised via an offer and placing of convertible loan notes.

Golden acres

Montague Gold of Australia, which in February was granted exploration option rights for almost 4.1 million acres in central Alaska to explore for gold and alloy metals, says that results of exploration work have been "encouraging". Montague has been examining various mineralised veins, and says the size of the anomalies and the tenor of the gold mineralisation are comparable with those outlined at Fort Knox, an advanced gold property nearby that is being developed by Amstar Gold.

Jeeps deal

Selbu will begin sales of Chrysler-made Cherokee and Wrangler jeeps from January. The company hopes for annual sales of 1,500 vehicles.

Opec busier

The International Energy Agency estimated that Opec crude oil output rose to 24.7 million barrels a day in September, from a revised 24.5 million barrels in August.

Company saver

Nine out of ten companies closed by creditors could be rescued and expanded, saving the nation millions of pounds every year, Courtney Mahn, specialists in company rescues, has told the government.

Shephard invited into union's fold

By PATRICIA TEHAN

GILLIAN Shephard has become the first employment secretary to be invited to an executive meeting of the Amalgamated Engineering and Electrical Union, Britain's second-biggest union.

Gavin Laird, general secretary, sent a letter to Mrs Shephard inviting her to one of the union's regular Tuesday meetings to discuss the new employment bill, which it believes will badly affect industrial relations and exacerbate the serious skills shortage that exists despite the recession. A spokesman said it also wants to stress the continued drain on manufacturing jobs.

After yesterday's executive meeting, Mr Laird said: "We don't want to sit in our respective trenches throwing

missiles at each other. A meeting with the minister would be good for the government and good for us."

This is the first time the union has invited an employment minister to attend. Industrial leaders and Labour party officials make regular appearances there.

A union spokesman said the invitation follows comments by Mrs Shephard that the government's war with trade unions is over. In his letter to Mrs Shephard he said the AEEU tries to minimise the adversarial nature of trade unions.

The AEEU plans to set up a stand at the Confederation of British Industry conference in Harrogate next month. Meanwhile, Mrs Shephard

yesterday said she was "extremely concerned" about the rising level of job losses after a week in which 9,500 people had lost their jobs.

Her sentiments were expressed as Sanyo, the Japanese electronics group, announced that it is to shed 95 staff from its workforce in the North East of England, reducing its staffing levels in the region by a third. The group blamed the recession and a fall in demand. The jobs will go from Sanyo's Newton Aycliffe plant in County Durham, which employs 200 staff and for which Sanyo forecast in 1988 a staff of 500. The 80 people who work at the group's Thornaby-on-Tees site are not affected by the redundancies. The region suffered

another setback on Monday, when Hydro Fertilisers in south Humberside cut more than 200 jobs.

"The waste of skills caused by the rise in unemployment was also highlighted yesterday, when more than 100 unemployed people built a "human mountain" outside the European Commission's London offices. They handed in a protest letter to the commission and a petition to 10 Downing Street calling for action to tackle unemployment.

A spokesman for the Unemployed Centres, which organised the protest, said: "Just like the butter mountain, we believe the human mountain of unemployment across Europe is a complete waste."

Manchester United scores in City despite transfers

By JONATHAN PRYNN

MANCHESTER United, Britain's most profitable football club, announced a small drop in pre-tax profits after paying out £2.6 million on transfer fees for new players. The shares rose 7p to close at 289p.

Profits, before tax and player transfers, for the year to end July were up 24 per cent to £7.68 million on turnover up 13 per cent to £20.15 million. But buying Peter Schmeichel, Paul Parker, Paul Ince and Andrei Kanchelskii hit the bottom-line surplus by 6 per cent to £5.05 million. Transfer fees last year were £801,000. Martin Edwards, chief execu-

tive, and Robin Lauder, financial director, have put £250,000 of profits into the transfer fee reserve, a cushion of in case of big transfer-fee costs in any financial year. The reserve is now £2.25 million.

The company had net cash of £14.8 million at the year end and has had its squad of 35 players and apprentices valued at £24 million by Touche Ross, the accountant. The player valuation will appear as a note to the balance sheet in the accounts.

A final 12p dividend makes 18p for the year compared with the 17.4p forecast in the prospectus issued at the flotation in June last year.

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Goal in sight: Martin Edwards, left, and Robin Lauder

The mine goes, and so does the town

By COLIN CAMPBELL

MINING towns usually fade away with a whimper when the mine on which they depend runs out of ore. But Cassiar, British Columbia, which for the past 40 years relied on asbestos mined by Cassiar Mining Corporation from the McDame orebody, has gone one better.

It has been dismantled, sold off in bits and pieces by public auction. The pavements have been bulldozed, and where mining boots once trod, mountain sheep graze. The mine is dead; ergo, the town is no more.

Cassiar was established as a result of the nearby asbestos deposit. It was company-built and company-owned, and in its day supported a community of 1,200 people. It had everything a good town should have — a church, a local radio station, its own sewage treatment plant, a hospital, houses and shops, an undertaker, and a cable television service. It even had roads.

The asbestos mine provided employment for more than 400 people, and in its day was profitable. But asbestos is today a "dirty word", and the fibre in the ground has proved too expensive to mine.

The mining company recently ran out of money, having exhausted lines of credit and loans that had been made available by local authorities. Its problems were compounded by mounting litigation against asbestos producers, by tightening health regulations and by consumer preference for less hazardous materials.

In 1988, the provincial government lent the company C\$25 million (£12 million) to extend the mine's life until at least the year 2000. In February, however, a further government loan was refused and Cassiar went into receivership. Attempts in July by Black Swan Gold Mines, of Vancouver, to raise C\$45 million to revive the mining operations failed, and receivers were called in. Everything in the town went up for sale;

houses were either broken down into bricks or transported whole to become vacation homes on islands around Vancouver.

The public auction was conducted by Maynards Industries, one of Canada's largest auction firms; even coffins went under the hammer. The auction was extensively advertised throughout America and Canada, and 50,000 brochures were printed urging buyers to "roll up, and buy". Michael Riseborough, the former government agent for the area, said of Cassiar: "It's weird. No dogs on the streets, no cats, no drapes on the windows. It's just empty."

There is nothing left to show where Cassiar once stood. The only antique unearthed in the break-up of the church was an altar dating from 1730 ... and that has gone to another church.

"If this town had been built on something other than asbestos, we could have survived," one resident said.

US drug approval lifts SB shares

By OUR CITY STAFF

SMITHKLINE Beecham, the Anglo-American pharmaceuticals and consumer products group, saw its A shares advance 18p to 487p on news that a US Food and Drug Administration advisory committee had recommended approval for its Paxil (paroxetine) anti-depressant.

During clinical trials, Paxil was used for a broad range of patients, from the moderately to severely depressed to those suffering from anxiety. Data showed that the drug was safer and more easily tolerated than other similar anti-depressants.

Paxil is already marketed in some countries including Britain, Ireland, Sweden, the Netherlands and Germany. Haemocell saw its shares rise 81p to 176p after the USM-quoted maker of medical and surgical equipment received FDA approval for the sale and marketing of its System 350 blood filtration system.

Stryker Instruments, the American medical instrument group, will proceed to market the product immediately.

Haemocell expects the FDA approval to have a dramatic impact on turnover and profits prospects.

David Mathen, Haemocell's chief executive, said the FDA's American approval for System 350, which is already on sale in Europe, will have a "really quite dramatic" effect on profits in due course. "This is a quantum leap," he said.

Savage Group returns to dividend list

THE recovery continued at Savage Group as the USM-quoted hardware company reaped the fruits of restructuring and returned to the dividend list.

The company made pre-tax profits of £2.02 million in the year to end-June, compared with a loss of £115,000 last time.

Tony Philipson, chief executive, said restructuring was complete and all losses had been eliminated. Turnover, affected by discontinued activities, fell to £73.5 million (£123.9 million), with turnover from continuing activities up 1 per cent to £69.4 million.

A dividend of 0.25p (nil) is proposed for the year. Earnings per share were 0.9p, against a loss of 5.4p.

MMI restarts full claim payments

By JONATHAN PRYNN, INSURANCE CORRESPONDENT

MUNICIPAL Mutual Insurance, the loss-making local authority insurer, resumed full payment of claims yesterday after a six-day moratorium.

MMI had ceased paying claims from local authorities after rescue takeover talks with a French insurer fell through. The move provoked chaos in the public liability insurance market, which MMI dominated, as local authorities sought to replace their cover.

Despite the resumption of claims payment, MMI still looks certain to be broken up and the future of its local authority business remains in doubt. Brian Wright, MMI chief executive, said a number of companies had expressed an interest in buying other parts of the group, including its household, motor, health, life and pensions operations.

MMI is continuing discussions with local authority associations over the local government portfolio and said it is keeping the DTI informed. "What Municipal Mutual now needs is a settled

period in which we can take these discussions forward," Mr Wright said.

The four main local authority associations last night gave "a cautious welcome" to the lifting of the moratorium. However, many local authorities are likely to remain sceptical about MMI's ability to renew cover and will continue to seek alternative arrangements in the open market. Treasurers are reluctant to rely on MMI after being told last week that merger talks with GMF were proceeding even after the French company had said the deal was off.

The crisis at MMI left a vacuum in the market with insurers, with no claims records to base pricing on, unable to quote realistic rates to local authority treasurers.

More than 500 delegates from local authorities are meeting in London today to discuss the MMI saga. One option likely to be considered is setting up an insurance pool funded by local authorities to cover major risks.

Hurricanes blow a hole in M&G

By OUR INSURANCE CORRESPONDENT

THE hurricanes that wreaked devastation on Florida and Hawaii in recent weeks have left a £30 million hole in the accounts of Mercantile & General, the loss-making reinsurer subsidiary of Prudential Corporation.

The hurricane losses come on top of a further deterioration in the London market excess of loss (LIX) account written by the company. Last month, Prudential announced that M&G had lost £25 million in the first half of the year largely due to losses in the so-called LIX spiral.

John Engstrom, the new chief executive of M&G, also announced tough measures to restore profitability to the company. He spoke of "a tough

stance on imminent renewals" resulting in "a significant reduction in premium volumes in 1993". This would result in further capacity in the London general reinsurance market being withdrawn, placing upward pressure on reinsurance and direct rates.

The senior management of Mercantile & General are not prepared to allow our general insurance business to continue to offset the consistent profits of our highly successful long-term business," Mr Engstrom said. Action would also be taken to reduce expenses.

Mick Newmarch, chief executive of Prudential, said the moves were "essential to deliver acceptable results from the general business".

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COMMENT

Trafalgar needs ally not raider

For shareholders in Trafalgar House, the best outcome of Hongkong Land's tender offer would be for the powerful property group to gain a big enough stake to be a serious long-term partner without gaining the full 29.9 per cent it seeks. That would bring effective control, depriving shareholders of a potential bid premium from a third party. Sir Eric Parker, Trafalgar's embattled chief executive, had hoped to tie up most of the uncertainties surrounding the group, including its borrowings, its investment strategy, its run-in with the Financial Reporting Review Panel over accounting, and possibly even its boardroom structure and management succession, by the beginning of December, when the results for the year to end September should be announced.

He was not allowed that time. Two important elements are, however, already clear. First, a commitment by HK Land is thoroughly good for the group's shaky image and should help remove the air of management drift faster than any number of conventional non-executive directors. Second, Trafalgar is worth a lot more than the £600 million implied by HK Land's 85p per share tender offer if those intangible uncertainties are swept away.

The core engineering and construction business formed from John Brown and Davy may have raised its operating profits from £60 million to nearer £75 million. There is evidently plenty more to come from integrating Davy and from the momentum that the combination is gaining. Judged by the fancy ratings accorded to rivals, this advanced world-class business could be worth £600 million alone as a free-standing entity, comfortably more if the civil engineering businesses are thrown in.

Even at present depressed asset prices, Matthew Sutherland of County Natwest cautiously suggests a realisable value of about 110p, without counting much for the property and housebuilding businesses. If Trafalgar's knights could bring themselves to sell Cunard as well as the Ritz group hotels, which may still be worth about £140 million, they might wipe out the group's debt completely and exposing value and potential. As it is, the City remains sceptical, leaving Trafalgar shares at the tender price.

They are unlikely to remain there. Private investors should stick with their shares and leave big institutions to split the future profits by offering HK Land a few of theirs.

On the rebound

Sterling's see-saw behaviour continued yesterday with a 6 pfennig rise against the mark making up all of the ground lost on Monday and more besides. In part, the rise was technical, with the pound caught in the slipstream of a dollar fast rebounding against the mark and helped additionally by short covering. But the fact that sterling did not encounter fresh short selling indicates two probabilities.

First, with no apparent central bank intervention in what has so far been a relatively clean float, dealers are becoming wary of forever selling the pound. It is looking increasingly cheap on fundamentals. Huge amounts of money can be lost on the second leg of a "spike" when markets realise a fall is overdone and bear closing accelerates the rise.

Second, speculators and traders wish to be less exposed during the period of the Conservative party conference. At least some outline of how the economic policy vacuum is to be filled will almost certainly emerge. Unless that policy is inept even by present standards the pound is likely to benefit. It could do so considerably if draconian spending cuts are forecast not as a policy in itself but as a key part of the inflation strategy to replace the ERM.

Martin Waller reports on how two electronics rivals are seeking the ears and minds of music consumers with the latest technology

An American humorist, weary of the hype surrounding the launch of compact discs a few years ago, said she would happily buy the new product if they promised they would never invent another.

Such a promise was made to be broken, and at least three attempts have been made since. One became entangled in the record industry's obsession with private taping; the two survivors hope to be battling it out at the tills this Christmas.

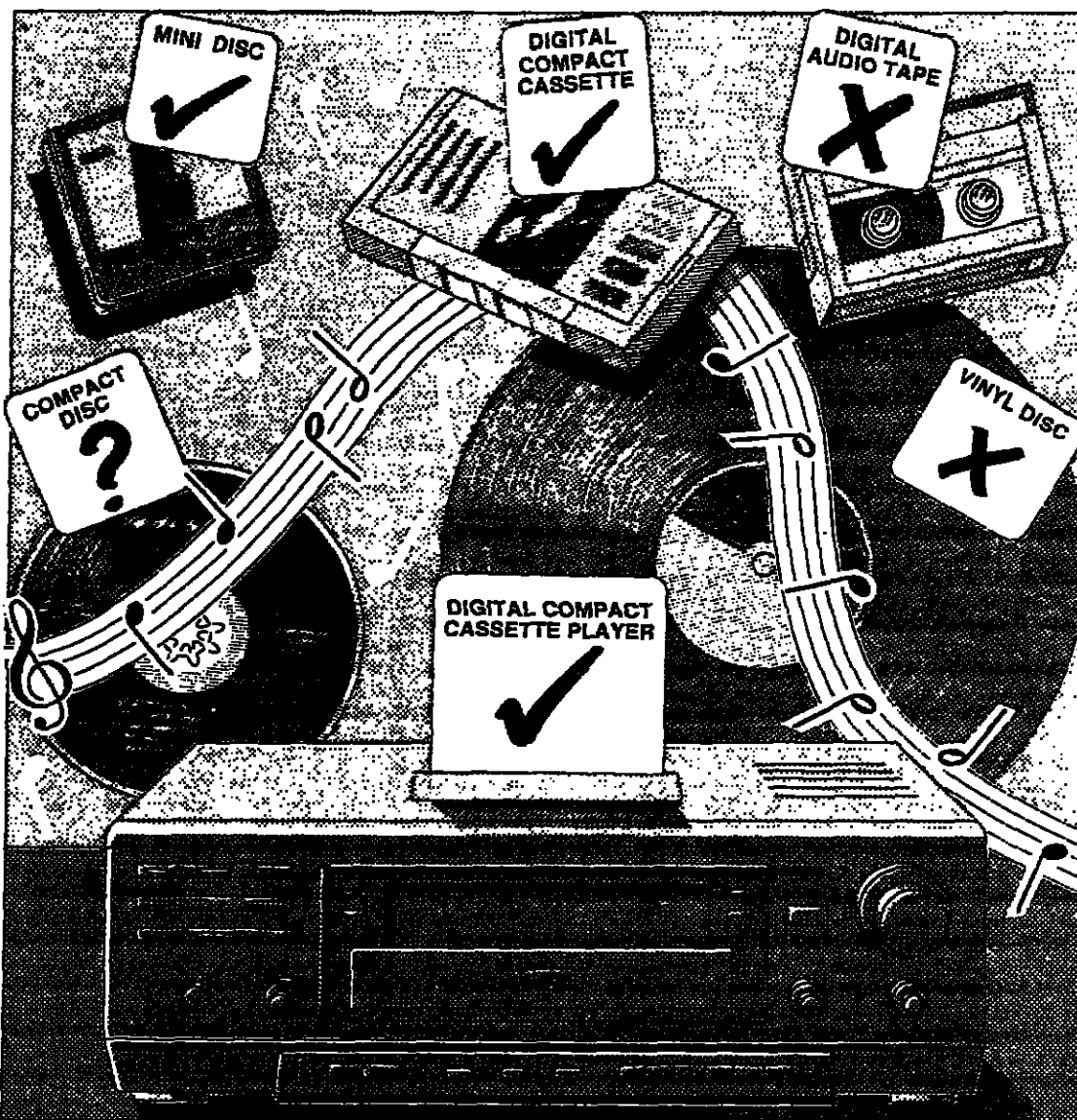
One uphill task facing any manufacturer launching a product on to the crowded consumer electronics market, made all the more difficult at a time of recession, is to persuade the customer that he or she needs another gadget whose lack they have not yet felt. A second is to ensure that once the gadget is bought there is also the software, in the form of recordings, to play on it.

The development of consumer electronics is littered with evolutionary dead ends, technical marvels that were potential world-beaters but that lost out to rivals often worse in quality terms. Early video recorders came in three formats: one now largely forgotten, a second, Betamax, that remains the staple of the broadcasting industry because of its technical excellence, and the winner, the now ubiquitous VHS system.

The start of in-car stereo two decades ago threw up the barely remembered 8-track, a curious and cumbersome beast that lingered on for a while even after the familiar audio cassette had established its ascendancy. If the pundits are right, at least one other product is set to join the ranks of the dinosaurs and the sabre-toothed tigers of audio history. Later this month, Philips will launch in the Netherlands, Germany, France and Britain the digital compact cassette (DCC). The device has been available for a fortnight in Japan, the home of its bitter rival, Sony's MiniDisc.

The MiniDisc should reach Japanese shops by November and become available, across Europe, through December. Neither system is compatible with the other, naturally, although Philips has the edge in fitting in with at least some of the existing technology.

The systems stem directly from the success of the compact disc format, which a decade ago offered digital sound quality to the listening public for the first time. Initially, there was consumer resistance to a system that was set to make existing vinyl record collections obsolete; consumer resistance is a normal and healthy reaction to the launch of any new gadget. By this year, when the biggest chains of music stores in Britain had effectively stopped stocking vinyl in



quantity, CDs had established clear ascendancy. Vinyl will remain the province of the sentimentalists and the collector.

The CD succeeded not least because of enhanced sound quality but also because of greater convenience. CDs run for longer, damage less easily and are easier to store and carry than the 12-inch record.

The two new formats are an attempt to wean the public off the traditional audio cassette, an analogue recording medium, and on to a digital recording system that is up with CDs for sound quality. There is no special advantage in convenience terms, and this may prove to be a telling weakness: the new products are no more "user friendly" than audio cassettes or CDs.

Philips' DCC may make or break the ailing Dutch giant, the largest surviving player in the once-great European consumer electronics industry. The DCC resembles the existing audio cassette, and crucially, the DCC player will play traditional cassettes — this so-called "backwards compatibility" is one reason why optimists at Philips believe the DCC market could grow three times faster than the CD.

Philips, the original inventor of the CD and the cassette, needs all the help it can get these days. The company has issued two profits

warnings in recent weeks and is in the throes of a ruthless restructuring programme to lose as many as 55,000 jobs after slipping into a £1.3 billion loss in 1990. Nerves are highly stretched ahead of the DCC launch, and news of delays have been greeted with dismay.

The company says it was in the process of sending all British dealers a demonstration model and the product will be shown off at a stand at the Motor Show in Birmingham on October 20.

Sony's MiniDisc is aimed squarely at the portable market, and the first ranges on sale will be Walkman-type models and a car stereo version, both recordable and playback only. The product looks like a smaller compact disc, about 2½ inches in diameter.

Sony is regarded as one of the marketing miracle workers of the modern world. The Walkman, one of the most successful product debuts in consumer electronics, was dreamed up, according to industry legend, by Akio Morita, its chairman, in exasperation at having to listen to his children's pop music at home.

But Sony has stumbled twice in recent memory. The group was behind the Betamax video format and also pioneered digital audio tape (DAT), the last attempt to create a

digital recording system to sit alongside the CD player. DAT, little more than half the size of an ordinary cassette, was set for launch early in 1987 when it ran into opposition from record companies convinced it would be used to create the perfect copy of the CD. Interminable legal wrangling ensued, and DAT missed out on mass-market penetration.

The format did catch on with the professionals, though, and has established a useful niche market among broadcasters as standard issue for radio reporters, for example, while some hi-fi buffs swear by the £500-plus recorders that are on the market.

A repeat of DAT is the last thing Sony needs, therefore, while much of Philips' future hangs on DCC. Little surprise that the two are barely on speaking terms, and the most vociferous argument is over the software, the recordings that will become available in the new formats. Philips is contemptuous of Sony's claims that top record companies are supporting the MiniDisc; the Dutch group, owner of the Polygram record label, is allied with Matsushita, the biggest electronics company in the world, which owns the MCA label and will produce the hardware under its Technics brand. Matsushita is, of course, one of Sony's head-to-head competitors in the electronics market.

DCC is claimed to have 500 recordings already signed up, including the usual pop and rock superstars. Sony, which owns the CBS label, claims a library of 300. Unsurprisingly, no in-house labels are making themselves available in the rival format. Other big players such as Warner and the German Bertelsmann combine favour DCC or, as with Thorn EMI, now owner of Virgin Records, are keeping a foot in both camps.

Just where the proud owner of a new DCC or MiniDisc system will find the software remains a key question. WH Smith, owner of the Our Price music chain, the country's biggest, and the controller of a 25 per cent share of the recorded music market that has as yet escaped the attention of the competition authorities, says it has no plans to take either DCCs or MiniDiscs. "It's something that is going to have to be thought about very carefully, if and when a decision is taken," said a spokesman. "We're not going to expand shops because of a new product."

Dixons Group, Britain's biggest electrical retailer which plans to stock both systems, has a firm agreement with Philips to launch DCC next month but, tellingly, is not so confident of having MiniDiscs in the shops until next year, after the Christmas rush, although Sony is insistent the mid-December deadline can be met. A failure to do so will cost the format dear.

The music retailers are already greatly relieved at the painless death of vinyl, gradually phased out without much public outcry to provide further space for more expensive CDs and cassettes. If either or both new formats takes off with the customer, however, the software will have to be sold somewhere. Less popular CDs and cassettes will have to be shunted off the shelves to provide the necessary retail space, so reducing consumer choice and cutting back even further the number of titles available in the average high street, as opposed to in specialist shops and town centre megastores.

A further hideous threat looms over the record industry. CD, the primary music source, and DCC, both primary source and recorder and portable to boot, are natural complements. MiniDisc is a hybrid CD-recorder, also portable. Despite Sony's insistence in marketing it as a super-Walkman, MiniDisc could therefore theoretically supplant both CD and DCC; the industry would then be forced to explain to the 45 per cent of households in Britain that own a CD player that their product, the wave of the future half a decade ago, is now obsolete. The chances of selling the new wave, post-MiniDisc, after such a debacle would seem limited.

"The CD will be the dominant format well into the next century," Mark Kingston, spokesman for the International Federation of the Phonographic Industry, says reassuringly. He is disinclined to support any of the new digital recording formats. "If I was a consumer, which I am, I would be buying none of them. If they can make a recordable minidisc, then how long before a fully recordable CD comes on to the market?"

BUSINESS LETTERS

Analysing the row with Germany

From A. A. W. Landymore and P. G. Brangwyn.

Sir, We must all agree with the prime minister that a line has to be drawn under the row which has beset Anglo-German relations. But before that line is finally drawn, *The Times*, as a principal journal of record, has a duty to future historians.

The analysis of the Treasury-Bundesbank dispute in the annotated chart in your issue of October 2 puts things mainly in terms of official statements and actions of the Bundesbank and of Dr. Schlesinger in particular. Yet there was no dearth of his opinions and comments, attributable and unattributable, emanating from other sources in the Bundesbank in the run-up to these events, as summed up by Anatole Kaletsky in the article below the chart.

The effects of these other sources should not be ignored. The two elements need to be brought together in terms of international money market behaviour. The relevant rules appear to be: (a) to give credence to the statements and leaks of the stronger party and

in particular to pay special attention to passages included in advance press copies but omitted from speeches as delivered; (b) to cast doubt on any denials or corrective statements from the same sources; and (c) to treat any statements by the weaker party with scepticism. It is reasonable to infer that the statements documented by Mr. Kaletsky had far more influence on the fate of the pound than anything said or unsaid by Dr. Schlesinger, except when it came to the *fait accompli*.

As regards the charges of malice, the Bundesbank has to be given the benefit of the doubt. But if finally there is to be an independent European Central Bank, it is to be hoped that it will be endowed with less naivety about money market behaviour than the Bundesbank has shown.

Yours faithfully,

A. A. W. LANDYMORE and P. G. BRANGWYN.

Gotham Wood House, Sandhurst Lane, Whydown, Bexhill-on-Sea, East Sussex.

Values that served the Victorians well

From P. J. Harrod

Sir, Mildred Bateman's recommendation (Business Letters September 29) to Dr J. D. Jackson that he forgive his son repayment of his loan is superficially appealing.

However, is not this suggestion a product of the "easy come, easy go" society that has proved so damaging to Britain? When my great grandfather, Charles Harrod, decided to retire from the small grocery business that he had founded, he did not give it

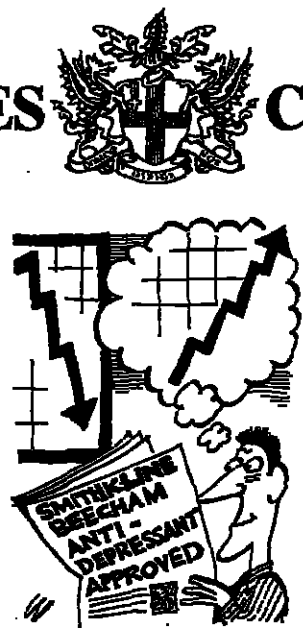
to his son. He sold it to him with payment to be made over four years. In order to meet his obligations to his father the son had to summon up and employ all the virtues of hard work, management skill and vision. The result can be clearly seen in Knightsbridge today. Perhaps Victorian values are best after all.

Yours faithfully, P. J. B. HARROD, Merlebank, Knowle Grove, Virginia Water, Surrey.

Down under

JUST weeks after sweeping redundancies at Barings Securities, the merger of Barings' Australian broking arm yesterday with McIntosh, in Sydney, has made for another sad casualty in London. Tom Ferrand, 25, has been "let go" by McIntosh, after it decided that the merger called for a Barings man on board in London. Jamie Taylor thus moves across from Barings to McIntosh, while Ferrand, with McIntosh for three years, where he handled European sales of Australian equities, loses his job. Ken Thompson, head of McIntosh's UK office, admits it is "tough" on Ferrand. "He's diligent, loyal and knows his job. That's what so tragic." Meanwhile, Ferrand, who discovered Australia on holiday after leaving Milton Abbey school in 1986, hopes someone wants a bright young salesman with his head full of Aussie stocks.

CAROL LEONARD



Diplomacy in the air

THERE was applause and much speculation at the Savoy yesterday as public adversaries Lord King and Richard Branson posed together for photographers. The two were attending the luncheon for *Business Traveller* magazine's 1992 awards but what all those in attendance really wanted to know was whether the joint photograph meant that the law suits between Virgin and British Airways, alleging libel and dirty tricks, were now off. "Oh hostilities. People love to talk about such things," said a relaxed King. Branson, by contrast, seemed less inclined to be convivial. "It's like soldiers in the first world war having Christmas pudding together on Christmas day before resuming fighting," he confided. "The law suit is going ahead and we'll be in court on January 11." Branson also revealed he had brought along "a little present" for King — a packet of indigestion tablets. "I thought he might need them sitting next to me," he quipped. In the event, diplomacy prevailed. Each company won an award — BA for best overall airline and Virgin for best for business class.

Old flames

LEAVING a trail of broken hearts across the City, Beryl "Bebe" King has finally given up the single state. King, in her forties, and an institutional dealer at Laurence Keen for the past 23 years, is on honeymoon in Brimley after tying

Full cream milk

UBS Phillips & Drew knows a well-connected graduate when it sees one. As part of this year's intake from the university milk round, the firm has netted one Natasha Clarke, from Durham university, as a trainee in its corporate finance

the knot with ambulanceman Leonard Gayler at St Giles Church, Farnborough, Kent, and celebrating with 400 or so friends at the Bromley Court Hotel. King and Gayler, a divorcee, were, in fact, romantically linked many years ago but, according to friends, they only rediscovered each other more recently. "She is one of the most popular girls in the City and half the market turned out," says Elizabeth Sullivan, a broker-turned-recruitment consultant, before adding that she was disappointed not to catch the bouquet. King, however, had a good time. "Beryl was still boozing at 2.30am," says Terry Bakewell, who sits next to her at Laurence Keen.

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No.	Company	Group	Gain or loss
1	IF O D Ltd	Transport	
2	Northumbrian	Water	
3	Amerham	Chemicals	
4	BA	Transport	
5	Steel Bar	Insurance	
6	Enterprise	Oil & Gas	
7	Respac	Industrial	
8	Scott & New	Breweries	
9	Smith & Neph	Industrial	
10	Lexus	Motors/Air	
11	Fine Leisure	Leisure	
12	Mamwe	Electricity	
13	Storehouse	Drugs/Pharm	
14	City Site Est	Property	
15	Boots	Industrial	
16	Gr Portland	Property	
17	Medeva	Industrial	
18	HIV Group	Leisure	
19	Seaboard	Electricity	
20	Dixons Grp	Drugs/Pharm	
21	Sol Western	Electricity	
22	Beagle Group	Building/Rd	
23	Near	Drugs/Pharm	
24	Sern Grp	Business Serv	
25	Almox	Leisure	
26	Cable Windes	Electricity	
27	Pison	Electricity	
28	Coker Op	Oil & Gas	
29	Revert Hous	Health/Cat	
30	NRC	Transport	
31	Asprey	Drugs/Pharm	
32	Royal	Insurance	
33	NMA Comp	Business Serv	
34	Perkins Food	Food	
35	Southern Elec	Electricity	
36	Nin Foods	Food	
37	Thames Water	Water	
38	GFSA	Mining	
39	THORNEMI	Electricity	
40	Crowd Flr A	Industrial	

Please take into account any minus signs

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If you have ticked off your eighth share in our Match The Shares game, you can claim your prize by telephoning 0163-7272 between 10.00am and 3.00pm (see Sunday Times for full details)

The winner of the Portfolio Plus prize of £2000 was James Miner of Norcross Road, London.

1992 High Low Company Price % Chg % Yld P/E

No.	Company	Group	Price	% Chg	% Yld	P/E
1	IF O D Ltd	Transport	1.15	-1.7	10.5	12.2
2	Northumbrian	Water	1.15	-1.7	10.5	12.2
3	Amerham	Chemicals	1.15	-1.7	10.5	12.2
4	BA	Transport	1.15	-1.7	10.5	12.2
5	Steel Bar	Insurance	1.15	-1.7	10.5	12.2
6	Enterprise	Oil & Gas	1.15	-1.7	10.5	12.2
7	Respac	Industrial	1.15	-1.7	10.5	12.2
8	Scott & New	Breweries	1.15	-1.7	10.5	12.2
9	Smith & Neph	Industrial	1.15	-1.7	10.5	12.2
10	Lexus	Motors/Air	1.15	-1.7	10.5	12.2
11	Fine Leisure	Leisure	1.15	-1.7	10.5	12.2
12	Mamwe	Electricity	1.15	-1.7	10.5	12.2
13	Storehouse	Drugs/Pharm	1.15	-1.7	10.5	12.2
14	City Site Est	Property	1.15	-1.7	10.5	12.2
15	Boots	Industrial	1.15	-1.7	10.5	12.2
16	Gr Portland	Property	1.15	-1.7	10.5	12.2
17	Medeva	Industrial	1.15	-1.7	10.5	12.2
18	HIV Group	Leisure	1.15	-1.7	10.5	12.2
19	Seaboard	Electricity	1.15	-1.7	10.5	12.2
20	Dixons Grp	Drugs/Pharm	1.15	-1.7	10.5	12.2
21	Sol Western	Electricity	1.15	-1.7	10.5	12.2
22	Beagle Group	Building/Rd	1.15	-1.7	10.5	12.2
23	Near	Drugs/Pharm	1.15	-1.7	10.5	12.2
24	Sern Grp	Business Serv	1.15	-1.7	10.5	12.2
25	Almox	Leisure	1.15	-1.7	10.5	12.2
26	Cable Windes	Electricity	1.15	-1.7	10.5	12.2
27	Pison	Electricity	1.15	-1.7	10.5	12.2
28	Coker Op	Oil & Gas	1.15	-1.7	10.5	12.2
29	Revert Hous	Health/Cat	1.15	-1.7	10.5	12.2
30	NRC	Transport	1.15	-1.7	10.5	12.2
31	Asprey	Drugs/Pharm	1.15	-1.7	10.5	12.2
32	Royal	Insurance	1.15	-1.7	10.5	12.2
33	NMA Comp	Business Serv	1.15	-1.7	10.5	12.2
34	Perkins Food	Food	1.15	-1.7	10.5	12.2
35	Southern Elec	Electricity	1.15	-1.7	10.5	12.2
36	Nin Foods	Food	1.15	-1.7	10.5	12.2
37	Thames Water	Water	1.15	-1.7	10.5	12.2
38	GFSA	Mining	1.15	-1.7	10.5	12.2
39	THORNEMI	Electricity	1.15	-1.7	10.5	12.2
40	Crowd Flr A	Industrial	1.15	-1.7	10.5	12.2

BANKS, DISCOUNT, HP

No.	Company	Group	Price	% Chg	% Yld	P/E
1	IF O D Ltd	Transport	1.15	-1.7	10.5	12.2
2	Northumbrian	Water	1.15	-1.7	10.5	12.2
3	Amerham	Chemicals	1.15	-1.7	10.5	12.2
4	BA	Transport	1.15	-1.7	10.5	12.2
5	Steel Bar	Insurance	1.15	-1.7	10.5	12.2
6	Enterprise	Oil & Gas	1.15	-1.7	10.5	12.2
7	Respac	Industrial	1.15	-1.7	10.5	12.2
8	Scott & New	Breweries	1.15	-1.7	10.5	12.2
9	Smith & Neph	Industrial	1.15	-1.7	10.5	12.2
10	Lexus	Motors/Air	1.15	-1.7	10.5	12.2
11	Fine Leisure	Leisure	1.15	-1.7	10.5	12.2
12	Mamwe	Electricity	1.15	-1.7	10.5	12.2
13	Storehouse	Drugs/Pharm	1.15	-1.7	10.5	12.2
14	City Site Est	Property	1.15	-1.7	10.5	12.2
15	Boots	Industrial	1.15	-1.7	10.5	12.2
16	Gr Portland	Property	1.15	-1.7	10.5	12.2
17	Medeva	Industrial	1.15	-1.7	10.5	12.2
18	HIV Group	Leisure	1.15	-1.7	10.5	12.2
19	Seaboard	Electricity	1.15	-1.7	10.5	12.2
20	Dixons Grp	Drugs/Pharm	1.15	-1.7	10.5	12.2
21	Sol Western	Electricity	1.15	-1.7	10.5	12.2
22	Beagle Group	Building/Rd	1.15	-1.7	10.5	12.2
23	Near	Drugs/Pharm	1.15	-1.7	10.5	12.2
24	Sern Grp	Business Serv	1.15	-1.7	10.5	12.2
25	Almox	Leisure	1.15	-1.7	10.5	12.2
26	Cable Windes	Electricity	1.15	-1.7	10.5	12.2
27	Pison	Electricity	1.15	-1.7	10.5	12.2
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32	Royal	Insurance	1.15	-1.7	10.5	12.2
33	NMA Comp	Business Serv	1.15	-1.7	10.5	12.2
34	Perkins Food	Food	1.15	-1.7	10.5	12.2
35	Southern Elec	Electricity	1.15	-1.7	10.5	12.2
36	Nin Foods	Food	1.15	-1.7	10.5	12.2
37	Thames Water	Water	1.15	-1.7	10.5	12.2
38	GFSA	Mining	1.15	-1.7	10.5	12.2
39	THORNEMI	Electricity	1.15	-1.7	10.5	12.2
40	Crowd Flr A	Industrial	1.15	-1.7	10.5	12.2

BREWERIES

No.	Company	Group	Price	% Chg	% Yld	P/E
1	IF O D Ltd	Transport	1.15	-1.7	10.5	12.2
2	Northumbrian	Water	1.15	-1.7	10.5	12.2
3	Amerham	Chemicals	1.15	-1.7	10.5	12.2
4	BA	Transport	1.15	-1.7	10.5	12.2
5	Steel Bar	Insurance	1.15	-1.7	10.5	12.2
6	Enterprise	Oil & Gas	1.15	-1.7	10.5	12.2
7	Respac	Industrial	1.15	-1.7	10.5	12.2
8	Scott & New	Breweries	1.15	-1.7	10.5	12.2
9	Smith & Neph	Industrial	1.15	-1.7	10.5	12.2
10	Lexus	Motors/Air	1.15	-1.7	10.5	12.2
11	Fine Leisure	Leisure	1.15	-1.7	10.5	12.2
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15	Boots	Industrial	1.15	-1.7	10.5	12.2
16	Gr Portland	Property	1.15	-1.7	10.5	12.2
17	Medeva	Industrial	1.15	-1.7	10.5	12.2
18	HIV Group	Leisure	1.15	-1.7	10.5	12.2
19	Seaboard	Electricity	1.15	-1.7	10.5	12.2
20	Dixons Grp	Drugs/Pharm	1.15	-1.7	10.5	12.2
21	Sol Western	Electricity	1.15	-1.7	10.5	12.2
22	Beagle Group	Building/Rd	1.15	-1.7	10.5	12.2
23	Near	Drugs/Pharm	1.15	-1.7	10.5	12.2
24	Sern Grp	Business Serv	1.15	-1.7	10.5	12.2
25	Almox	Leisure	1.15	-1.7	10.5	12.2
26	Cable Windes	Electricity	1.15	-1.7	10.5	12.2
27	Pison	Electricity	1.15	-1.7	10.5	12.2
28	Coker Op	Oil & Gas	1.15	-1.7	10.5	12.2
29	Revert Hous	Health/Cat	1.15	-1.7	10.5	12.2
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33	NMA Comp	Business Serv	1.15	-1.7	10.5	12.2
34	Perkins Food	Food	1.15	-1.7	10.5	12.2
35	Southern Elec	Electricity	1.15	-1.7	10.5	12.2
36	Nin Foods	Food	1.15	-1.7	10.5	12.2
37	Thames Water	Water	1.15	-1.7	10.5	12.2
38	GFSA	Mining	1.15	-1.7	10.5	12.2
39	THORNEMI	Electricity	1.15	-1.7	10.5	12.2
40	Crowd Flr A	Industrial	1.15	-1.7	10.5	12.2

BUILDING, ROADS

No.	Company	Group	Price	% Chg	% Yld	P/E
1	IF O D Ltd	Transport	1.15	-1.7	10.5	12.2
2	Northumbrian	Water	1.15	-1.7	10.5	12.2
3	Amerham	Chemicals	1.15	-1.7	10.5	12.2
4	BA	Transport	1.15	-1.7	10.5	12.2
5	Steel Bar	Insurance	1.15	-1.7	10.5	12.2
6	Enterprise	Oil & Gas	1.15	-1.7	10.5	12.2
7	Respac	Industrial	1.15	-1.7	10.5	12.2
8	Scott & New	Breweries	1.15	-1.7	10.5	12.2
9	Smith & Neph	Industrial	1.15	-1.7	10.5	12.2
10	Lexus	Motors/Air	1.15	-1.7	10.5	12.2
11	Fine Leisure	Leisure	1.15	-1.7	10.5	12.2
12	Mamwe	Electricity	1.15	-1.7	10.5	12.2
13	Storehouse	Drugs/Pharm	1.15	-1.7	10.5	12.2
14	City Site Est	Property	1.15	-1.7	10.5	12.2
15	Boots	Industrial	1.15	-1.7	10.5	12.2
16	Gr Portland	Property	1.15	-1.7	10.5	12.2
17	Medeva	Industrial	1.15	-1.7	10.5	12.2
18	HIV Group	Leisure	1.15	-1.7	10.5	12.2
19	Seaboard	Electricity	1.15	-1.7	10.5	12.2
20	Dixons Grp	Drugs/Pharm	1.15	-1.7	10.5	12.2
21	Sol Western	Electricity	1.15	-1.7	10.5	12.2
22	Beagle Group	Building/Rd	1.15	-1.7	10.5	12.2
23	Near	Drugs/Pharm	1.15	-1.7	10.5	12.2
24	Sern Grp	Business Serv	1.15	-1.7	10.5	12.2
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32	Royal	Insurance	1.15	-1.7	10.5	12.2
33	NMA Comp	Business Serv	1.15	-1.7	10.5	12.2
34	Perkins Food	Food	1.15	-1.7	10.5	12.2
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36	Nin Foods	Food	1.15	-1.7	10.5	12.2
37	Thames Water	Water	1.15	-1.7	10.5	12.2
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39	THORNEMI	Electricity	1.15	-1.7	10.5	12.2
40	Crowd Flr A	Industrial	1.15	-1.7	10.5	12.2

1992 High Low Company Price % Chg % Yld P/E

EUROPEAN TELECOMMUNICATIONS

The no-fuss single market

Britain has led the way in opening up Europe's networks and services to the private sector. Peter Purton assesses the changes

In telecommunications at least, the single market is already here. Europe's networks and services have come a long way in a very short time. Only ten years ago, monopolies, most of them government departments staffed by civil servants, had complete control over the continent's telecommunications. Today, there is hardly a country left where there is not at least some private involvement. In some countries, the private sector is in complete control.

Throughout this process Britain has played a leading role. The first moves towards an open telecommunications market in this country came in 1980, when the intention was announced to split the General Post Office, the GPO, into the Royal Mail, a service for delivering parcels and letters, and British Telecom. At the same time, the government announced its intention of ending BT's monopoly of the supply of telecommunications equipment and the offering of services.

In 1981, the telecommunications bill setting up the legal base for the government's intended reforms was given the Royal Assent. By 1982 a second leading network operator, Mercury Communications, had been licensed, and plans to privatise BT and to create an independent regulator, Ofcom, were announced.

By 1985, not only was there a second fixed-telephone network in operation in Britain, but there were also two mobile-telephone networks and over 70 operators of value-added network services. The market for telecommunications equipment was by then completely open, as were the markets for service and maintenance.

Most of the rest of Europe has taken a little longer to arrive at the same or sometimes a lesser degree of liberalisation in telecommunications. Initially, every country adopted its own approach to liberalisation. It was not long before the European Commission saw the approaching chaos and intervened. Its first great landmark was its green paper on telecommunications published in 1987.

In this the commission set out its strategy for co-ordinating the liberalisation message to create a single European telecommunications market. Since 1987, it has employed persuasion techniques to

break many of the monopolies which used to be enjoyed by the national telecommunications administrations. It also tackled problems such as lack of resources for standards creation and the performance testing and approval of telecommunications equipment.

The commission has managed to make the large public network operators, who still account for the biggest part of the telecommunications equipment market, purchase through open public tendering. The European market for simple terminal equipment, such as telephones and fax machines, is now completely open. The market for more complex terminals, such as office telephone systems, is open in most countries.

On the services side, the market for mobile telephony has been liberalised in most countries. Even in those where competition is not yet allowed, liberalisation is

planned. Other mobile communications technologies, such as radio-paging, mobile radio and mobile data, are fairly open to competition, with Britain, Germany and France leading the way. The markets for data communications services are open across Europe, but just how

many to bypass local fixed-network operators completely. They can also handle a range of different signals. They can cope with everything from low-rate data through to broadcast quality television, and can provide economical alternatives to a range of services, from point-to-point leased lines to personal communications networks.

The restrictions that remain on access to telecommunications markets are mainly on basic telecommunications services, specifically the carrying of the information, and on voice communications, the two core revenue generators for the national carriers. But even here inroads have been made. In Germany, the previous block on private companies offering voice links via satellite was lifted to help improve communications between the former East and West Germanies. The dispensation was said to be temporary, but few believe that it

will be easy to reimpose restrictions.

The effects of European Community telecommunications policy have also extended beyond the community. Sweden has mirrored EC policies with its own telecommunications regulatory reforms. In 1990, it became the second country in Europe to allow competition in the long-distance telecommunications network. In the past few weeks Finland announced its intention of introducing competition in long-distance and local networks.

In Britain, more or less all the remaining restrictions on entering the telecommunications network operating business have been lifted. As a result of the new policy introduced by the government last year, over 30 companies or consortia have bid to receive licences to operate telephone networks, and most of the country's 51 cable-television network operators are either planning or already offering telephone services on their cable broadcast networks.

They say they offer a discount of at least 10 per cent on BT rates, and BT sources admit that in areas where cable television is offering telephone services, they expect to lose almost a third of their business.

Few doubt that the introduction of competition to telecommunications has improved service quality. In London in the early 1980s many exchanges were pre-war electromechanical designs. Today Britain is close to becoming the first leading country in the world with a completely digital public telephone network.

One area where the benefits of competition policy have not yet been proved, however, is that of lower prices. Despite predictions that more competition would inevitably result in lower costs, prices and tariffs have been falling equally quickly in countries with liberal and not so liberal regimes. Britain's prices have been steadily rising up the table of countries. Of Western Europe's principal countries, it is now the most expensive for its average telephone bill.

This does not necessarily mean that competition does not lead to lower prices than monopolies. It might just mean that even the threat of depriving a monopoly of its privileges can be a very strong motivation to providing customers with a better deal.

Commuting to the front room

Following a pilot scheme in Inverness in which ten British Telecom directory enquiry operators volunteered to answer callers using special terminals installed in their own homes, the company has offered thousands of its junior and professional staff the chance to become "teleworkers".

Linked to their offices by telephone, personal computers and facsimile machines, staff will be able to do their jobs without ever leaving home. For these people, commuting will become a matter of walking down the hall.

BT estimates that by 1995 about 2.25 million Britons will be working from home, and the Henley Centre for Forecasting predicts ten million by 1999.

Teleworking, sometimes called telecommuting, is not a new idea, and is obviously not applicable to every sort of occupation. At present, writers, financial consultants, sales professionals, marketers, engineers and computer programmers probably constitute the bulk of the teleworker population.

However, as the business of communicating, processing and manipulating information is assuming greater importance in the national economy, teleworking is becoming more widespread. At the same time, the increasing cost, time and difficulty of simply getting to the office is attracting converts from outside the information industry.

Teleworking also has some quantifiable benefits for employers. In a Gallup survey carried out for Mercury Communications last year, 97 per cent of the nearly 250 companies surveyed considered the arrangement to be effective. Forty-two per cent believed that it led to increased efficiency, 40 per cent that it brought increased productivity, and 38 per cent that it produced cost savings.

Of those who had had

teleworking staff for over five years, 32 per cent were likely to extend the opportunity to more staff in the near future, while 46 per cent of newcomers to teleworking were likely to increase the number of home workers. Anecdotal evidence suggests that teleworking reduces corporate overheads, reduces time lost through sickness, and can play a part in retaining key staff members.

Of course, not everything in the teleworking garden is rosy. Setting up a home worker is not cheap. The cost of equipping each BT directory enquiry operator, for example, was about £17,000. Too little supervisory contact can be a problem, as can too much when management overcompensates for the lack of an individual's physical presence by constantly calling.

Finally, isolation can be difficult for employees. To overcome this, the BT operators are equipped with electronic mail facilities and video-phones. The latter furnish direct contact with the operators' supervisor and, during breaks, allow them to chat to each other or catch up on the office gossip.

A big expansion in the number of teleworkers could come with increased awareness among employers of the advantages. The Mercury Gallup survey, for example, indicates that, of those companies which at present do not have any teleworkers, most know virtually nothing about the concept.

Britain has an international lead in telecommuting. The Inverness trial is being managed by a BT research team led by Mike Gray. "We want to develop support systems to ease the changes in lifestyles," Mr Gray says. "This experiment is unique."

JOHN WILLIAMSON
The author is the international editor of *Telephony*.



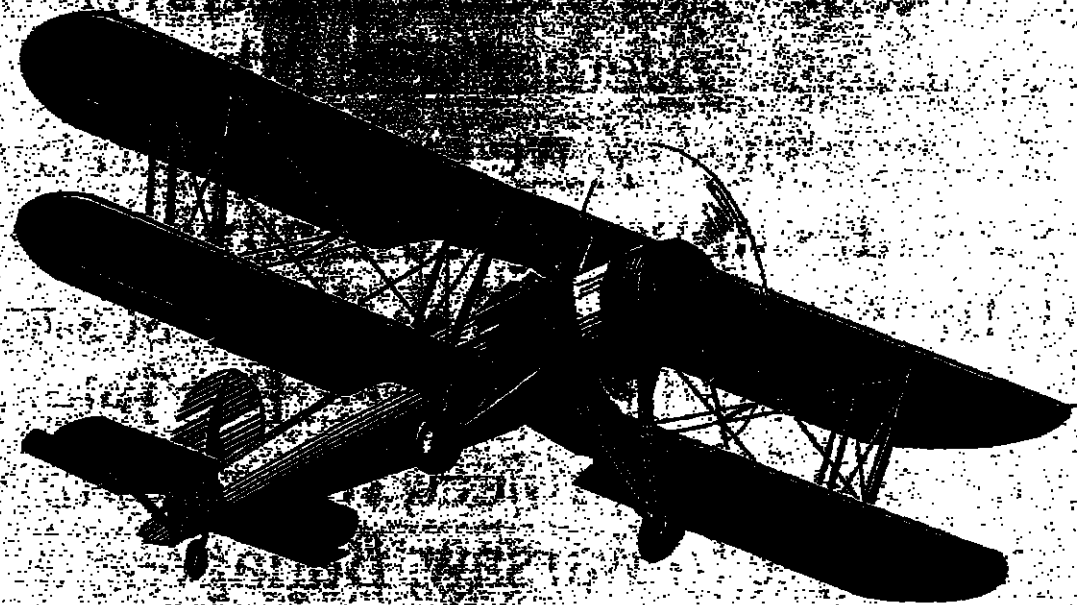
Child's play: the market for mobile telephones has been liberalised in most countries

Prices have risen and Britain is the most expensive for phone bills

open depends on which country you look at and how you read the regulations.

Satellite communications technologies, such as very small aperture terminal (VSAT) systems, have been opened up in the main European countries, as well as in several smaller ones. This may turn out to be a very significant step, since satellites promise the opportunity

to bypass local fixed-network operators completely. They can also handle a range of different signals. They can cope with everything from low-rate data through to broadcast quality television, and can provide economical alternatives to a range of services, from point-to-point leased lines to personal communications networks.



A pilot once flew a biplane, showing that whatever destination the traveller intended, it would be a kilometre or so out of her way. Given that, it is hard to see how the pilot could be wrong.

Does the key to globalisation lie in how much territory you cover or how well you cover it?

Notice how every communications supplier is trying to outshout another about how many offices it has around the world?

At AT&T, we believe it's what we can do for you at our offices that makes us an effective resource, not just that we do business in over 130 countries. What matters most is the quality of relationships we've built over many years with local telephone companies, and the experience we've gained from that.

Our international network, for example, handles over a billion calls a year. We're also working with nations that are busy building the infrastructures that support global communications. And we have the R&D resources of AT&T Bell Laboratories and the financial strength that enable us to make long-term commitments to new markets.

How to tell global claims apart? Look for the company that's more interested in how well your offices around the world are doing rather than its own.





To help progress in the East, Europe's No. 1 telecommunications company has put its extra-terrestrial connections to work.

The Commonwealth of Independent States (CIS), as the

successor to the former Soviet Union, needs support in numerous areas. And it needs access to the established market economies. A prerequisite for that is a functioning telecommunications infrastructure. Just how damaging the lack of one

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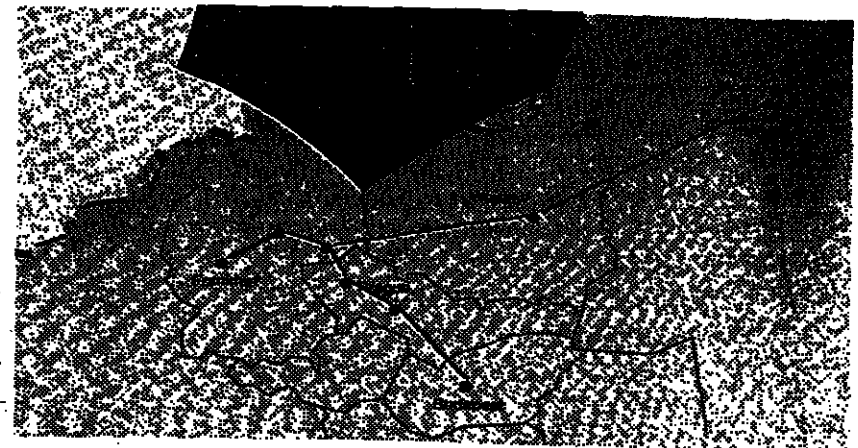
can be to a country's economy has been amply demonstrated in the former GDR.


Today, Telekom is making a significant contribution to the new era of cooperation: together with other partners from German industry, we have created the

ROMANTIS project to help the CIS develop a satellite-supported communications network to connect its member countries both to each other and to the West's telephone network. From 1995, a total of 3 million lines should be in place. But Telekom involvement goes further. With the TEL (Trans-Europe Line) project, we are planning a fibre optics cable that goes from Frankfurt via Prague to Warsaw, Budapest, Moscow and the Baltic States. Those are just two examples of how Telekom is helping Eastern Europe to gain access to the industrialised nations of the West: all in the interest of economic recovery and improved relations. So if you have challenging communications problems to solve, talk to Europe's largest telecommunications company - Telekom.

You'll find us in all the world's major markets.

Communications Networks made in Germany. We tie positive solutions together.



 Te-le-k-o-m

APR 1993

By Christmas a cheap videophone will allow callers to see and be seen over ordinary lines, Paul Chambers reports

Smile! You're on the phone

A cheap videophone is about to appear on the shelves of electrical retailers in the United Kingdom, probably in time for Christmas, if all goes to plan. Its maker, Marconi Electronics, of Brahamwood, Hertfordshire, hopes it will be accepted for use in other countries as well. This could make it possible for ordinary telephone subscribers all round the world to see each other at the same time as they talk.

Videotelephony has been around for some time in the form of videoconferencing. This enables company executives to talk to each other, see each other and share pictures of documents without leaving their home base, and got a big boost during the Gulf war. Companies were frightened about sending executives on aircraft, and videoconferencing boomed. The trouble is that videoconferencing for businesses has been expensive. Typically, executives go to a dedicated studio and use equipment designed to work over the most modern digital telephone networks. There are individual digital videotelephones, used to bring executives into videoconferences if they cannot make it to the studio, but they cost between £8,000 and £15,000.

The new videophones are different. They are cheaper because they do not need a connection to digital networks and are designed to work over ordinary "analogue" telephone networks. The one made by Marconi Electronics will cost about £400 (£750 in the United States). The other, by AT&T, the American operator and equipment maker,

costs \$1,499 to buy or \$30 a day to rent.

The potential market is huge — some estimates put it at \$500 million in five years' time — so there has been a race to bring the analogue videophone to market. AT&T got there first, launching its product at the beginning of this year. Marconi previewed its product at a trade show in Geneva nearly a year ago, but did not release it until very recently.

The Marconi product, a home-grown spin-off from its military work, measures 7in by 9in, incorporates modern telephone func-

The potential is huge — some estimates put it at \$500 million in five years' time

tions like memory and repeat dialling and has a 3in by 4in flip-up colour screen with an inbuilt video camera. The AT&T product, developed in conjunction with Compression Labs of San Jose, California, will also have a 3in screen and will transmit pictures at one frame a second.

Marconi makes no bones about its plans to corner the market. It hopes its product will become the *de facto* standard equipment for analogue videotelephony around the world. Not only has it recently

announced a £10 million order from BT, the British operator, but it also announced at the end of September a real coup. MCI Communications, a competitor of AT&T, agreed that it would distribute the Marconi product in the United States. It could also get a contract to make the videophone for Amstrad, the British electronics company, which is making a determined push on the domestic telecommunications equipment market.

As part of its drive for supremacy, Marconi is talking to other operators, both in Europe and the Far East, about distributing its videophone. Dexter Smith, the company spokesman, says: "We have ongoing discussions in continental Europe and the Far East." He says more agreements could come "relatively soon", though he will not say whether that means this year or next.

AT&T is playing down the significance of the Marconi move into the US. Dominic Fry, a company spokesman, says: "We were first into the market. It is gratifying to see other people sharing our vision that people will want to communicate visually in future."

On price, he says: "It is all to do with people having a choice. If you look around the car park, you see different cars people pay different prices for. Our research indicates consumers are rejecting lower-quality videophone technology at lower prices."

AT&T itself could export its technology abroad. It has said it wants to enter the European market. But Mr Fry declines to com-



In the picture: doctors can consult their colleagues and exchange visual information over long distances using videotelephones

ment on the state of possible plans to sell its own videophone in Europe.

There are still technical issues to be sorted out. At a show in Hannover in March, for example, Mike Zeaman, the company's district public relations manager (consumer products), said it was thought the videophone would need modification for operation in Germany. Otherwise, the network operated by Deutsche Bundespost Telekom might filter out some parts of the signal.

Marconi claims the modifications needed to connect its own

videophone in the US have been "tiny little circuit changes". It denies there is any subsidy involved in bringing down the price of its videophone. Mr Smith claims that the Marconi price advantage over the AT&T videophone comes from the fact that the videophone components are "derived from technologies we already have some mastery of".

Richard Couldhardt, another spokesman for Marconi, says: "The whole art of what our engineers are good at is designing for affordability. We can produce for £150 what everybody else can

produce for £300." He too denies there is a subsidy involved. "We have to turn out the lights when we leave the office," he says.

Naturally the arrival of the analogue videophone does not spell danger for digital videophones. The two products are conceived for totally different markets. The person buying a digital videophone gets higher quality, though he or she buys a more expensive product, says Dave Hughes, BT's product manager of cordless and digital phones and answering machines.

Moreover, the price of digital videophones is set to come down,

too. "We expect that the price of a digital videophone in 1995 will be about £1,000," says Tom Doyle, director of GPT Video and ISDN Systems. The company is based in Maidstone, and is a division of GPT, Nottinghamshire.

There could in future be mass-market versions of digital videophones as the integrated services digital network spreads around the world. One thing is certain: the analogue videophone will have a pioneering role in bringing video-communications to the mass market.

Supercarriers shape up for battle

Global alliances are forming between telecom giants for corporate markets

Several of the world's more ambitious telecommunications operators are gearing up to transform themselves into global "supercarriers", offering sophisticated, end-to-end services to international corporate customers anywhere in the world. Analysts believe that only three or four such entities will dominate the lucrative market for international private networking by the turn of the century.

The notion of the supercarrier has appeared in the pages of analysts' reports for some time now, but the drive by telephone companies to capture the private network business of customers at home and abroad has only recently started to move the concept towards reality. Providing and managing international corporate networks known as "outsourcing" — could be big business for the telephone operators. At present, corporations spend about \$3 billion running their own international networks, and the market is growing at between 15 and 20 per cent annually.

There are two elements to the international outsourcing equation, both involving competition. On the carrier side, the introduction of service competition in an increasing number of countries has reduced the incumbent operators' market and revenues and persuaded some to target high-spending international corporations by way of compensation.

From the corporate customer's point of view, the globalisation of markets in many industrial and



At the hub: the Syncoordia network control centre in Atlanta, Georgia, in the United States

commercial sectors is both a cause and an effect of greater competition. One response for a growing number of enterprises is to concentrate on their basic business and to hire off other activities, including telecommunications, to subcontractors.

International outsourcing moved into a higher gear last October when BT announced the formation of Syncoordia. BT already provided managed data network services through its wholly-owned Global Network Services (GNS) business, but the new venture was to have a much wider remit, including Telekom of Germany and Nippon Telegraph and Telephone (NTT) of Japan as subordinate shareholders. This embryonic supercarrier alli-

ance was set up initially to offer end-to-end network management, complete system outsourcing and a round-the-clock multilingual customer service facility available from a number of centres around the world. Future service possibilities included international cashless calling, worldwide numbering and mobile cellular services.

However, efforts to enlarge Syncoordia's ownership have so far failed. Telekom's entry was linked to France Telecom's taking a piece of the action, but terms could not be reached. Negotiations with NTT have apparently now ceased, although the Japanese carrier may act as a distributor of Syncoordia services in Japan.

First to form a rival grouping

were the Dutch and Swedish national carriers. One of the two Unisource operating companies which the duo established has now taken on the Swiss carrier as an equal shareholder, and a search is on for additional backing in the Far East. Unisource has also made a deal with US Sprint, the North American carrier, to interconnect networks.

Meanwhile Telekom and France Telecom are setting up their own outsourcing venture, dubbed Eumetcom, and are believed to be talking to Telefonica of Spain and SIP of Italy about possible partnership terms.

Underpinned, BT is reportedly plotting the construction of its own global network which could be used

to carry both Syncoordia and GNS traffic. According to leaked documents, the \$1 billion network is code-named Cyclone.

Cyclone will supposedly begin construction next year with the installation of four large switching centres in London, New York, Frankfurt and Sydney. BT will spend about \$86 million in the first year of the project. In subsequent phases, up to the year 2002, an additional 28 network hubs will be added in leading business centres around the globe, starting with Paris and Tokyo in 1994.

The documents indicate that BT aims to offer voice, data and video services and include worldwide numbering and customised billing options. Prices would be between 5 and 15 per cent lower than conventional international dial-up rates. In line with the Cyclone plan, talk at Syncoordia itself is now about getting more business rather than acquiring more partners.

However, some doubts have been expressed about the viability of BT's taking the supercarrier route alone, given the very high levels of investment required and the probable hostility from operators in whose territory Cyclone's switching hubs are located. Peter Wilkinson, a director of the Quotient Communications consultancy, based in Britain, points out that Cable & Wireless Global Digital Highway transmission system is being built up on an incremental basis and that the company is looking for partnerships to achieve its aims.

Mr Wilkinson points out that any would-be supercarrier will have to have very good local resources in place to service its customers in competition with incumbent operators. "The major issue is not the network," he says, "it's the customer at the end of the network."

JOHN WILLIAMSON

In search of the missing link

At present, mobile data communications are too complex and confusing

Across Europe, the use of computers on the move is becoming commonplace, thanks to the development of laptop and even pocket computers. But there is still something missing before mobile computing can become really useful.

Comet, the electrical retailing group, recently bought a number of Zenith laptops, each equipped with an internal modem, to allow regional managers to find out key information about the performance of branches for which they are responsible, from wherever they may be. The laptops give Comet's managers direct access to data on stocking levels, sales performance, budget targets and credit turnover. The managers are then able to use the information to congratulate their teams or tell them to buck up. However, this happy tale of mobile computing has a flaw. The managers have to hunt around for a spare telephone socket in order to communicate. For Comet, as well as for many other users, the mobile data options available today are simply too complex and too expensive.

Mobile data is not an easy buying decision for customers. They must know not only about communications software and modems, but also about radio communications. There are also a confusing number of mobile data technologies. As well as the services offered by the dedicated mobile data network operators, there are those offered by cellular and mobile radio networks. And all these services are incompatible.

To make matters worse, the situation varies from country to country, making it impossible to create a pan-European network. Sweden was the first country in Europe to have its own dedicated national mobile data network when Swedish Telecom, the national carrier, launched its Mobitex service in 1984. But even today, there are only 8,000 users.

In Germany, the country everyone expects to yield the largest market for mobile data, Deutsche Bundespost Telekom, the national carrier, has only just begun testing mobile data. France is only just in the process of licensing two mobile data network operators, one of which is expected to be France Télécom, the national carrier.

In Britain four companies were licensed to offer mobile data services in 1988, but only three have launched a service, and one of these has since been closed down. It looks less and less likely that the company which has not yet launched its service will do so.

Nevertheless, things may be looking up for mobile data. Market analysts such as Frost & Sullivan of New York and CIT, based in London, both predict a much

increased take-up of the technology across Europe in the next five years. There are also signs that, once users have mastered mobile data, they like what they see.

In Sundsvall, in Sweden, SCA, the forestry group, uses mobile data to feed loggers with the information to cut trees to order. In Gothenburg, the public transport authority uses it to coordinate bus movements. In future it may even control the traffic lights.

In Manchester, the fire service uses mobile data to access information about chemical fires. They estimate it can take two to three minutes to obtain this data by voice link. With mobile data it takes just 30-45 seconds.

In Finland, the analogue cellular radio system is used to provide data links between people's offices and their holiday homes, often in remote parts of the country where the cost of installing a fixed link would be prohibitive.

British Airways uses mobile data to accelerate baggage handling at both Heathrow airport, near London, and John F. Kennedy in New York. This is probably the first transatlantic mobile data application.

There are even standards emerging, promising an end to both the technology confusion and the geographical restrictions. To push Mobitex as a global standard, Swedish Telecom has teamed up with Norwegian Telecom, Finnish Telecom, France Telecom, Hutchison Telecom, Hong Kong, Candel of Canada and Bell South and Ram Broadcasting of the United States to form the Mobitex Operators Association.

Motorola, the American company, has responded by forming its own group to push its RD-LAP specification. Members of the Worldwide Wireless Data Network Operators Group include Ardis of the United States, Deutsche Bundespost Telekom and Hutchison Mobile Data.

The new pan-European mobile telephone system, Global System for Mobile Communications (GSM), also promises to yield a mobile data standard. Because of its shorter call set-up times, high data transmission rates and digital format, it is much better suited to mobile data applications than today's analogue cellular radio systems.

The European Telecommunications Standards Institute is looking at implementing a data version of its trunked mobile radio standard, Tetra. Even Comet has not given up looking for a mobile data solution. It is just waiting for somebody to come to it with a clear and simple proposition which does not cost the earth. Is that too much to ask?

MARLA MADISON

The integrated services digital network promises easy access to multimedia applications

Spreading the net

What could be the world's most talked about but least seen telecommunications technology, has arrived. Hundreds of thousands of people throughout Europe are now using the integrated services digital network, or ISDN, Marla Madison writes.

First proposed in the mid-1970s, ISDN has taken much longer to be turned into reality than expected. The original idea was to save carriers money by allowing them to integrate previously separate networks for voice, data, text and image. But the complexity of the whole task, as well as the cost of its development, was severely underestimated.

The need from the carriers' point of view also became less urgent when both customers and the threat of competition urged them to concentrate on their core activity, switching telephone calls.

But now ISDN has come of age in an era where multimedia technology is the latest trend. Its ability to handle voice, data, text or image with equal facility makes it a natural partner for a new generation of emerging computer applications which include sound,

image and information.

Time has also allowed the carriers to accumulate the investment necessary to make ISDN widely available. Germany and France between them have over 100,000 basic-rate connections and 10,000 primary-rate connections in use. In Britain, BT has some 5,000 basic-rate and 3,000 primary-rate ISDN connections in service. In Belgium, commercial ISDN was launched in 1989 and is today available nationwide.

In Switzerland, a primary-rate service has just been launched, and a full basic-rate service is due to start in October. And in Italy, a pilot ISDN that was started last year is now accessible from Bari, Bologna, Genoa, Milan, Naples, Palermo, Pisa, Rome, Turin, Trento and Venice.

Over the past year, the number of basic-rate ISDN connections in use around the world has gone up threefold to over 700,000. For

primary-rate ISDN, the rise has been fourfold to over 30,000.

As well as the stimulus given to ISDN by the availability of multimedia computer applications, thanks to digitalisation of their networks many telecommunications carriers now find it cheaper to connect to their larger customers

ISDN has come of age in an era of multimedia technology

via ISDN than through conventional analogue links.

Another stimulus to ISDN is coming from the increasing international compatibility of services. This will come to a head next year when Euro-ISDN, a single ISDN standard for the whole of Europe, is introduced.

Both British operators, BT and

Mercury, plan to upgrade their services to conform to the new Euro-ISDN standard by the end of this year. By the second half of 1993, all Belgian ISDN exchanges will support it, and in Italy a full commercial Euro-ISDN service will begin during 1993.

Applications for ISDN range from a low-cost back-up for a dedicated private data line linking computers at different locations to a means of linking videophones.

One of the most exciting application areas, however, promises to be in allowing computer applications and the information carried by ISDN's signalling facilities to interact. These computer-controlled applications, for instance, could herald a whole new level of service functionality on office telephone systems.

Nowhere is this likely to have more of an impact than in handling customers. ISDN facilities

such as caller ID can be exploited to automate call-handling processes which can waste valuable telephone minutes and annoy customers asked to hang on. It could even empower all organisation members to handle customer inquiries, boosting organisational efficiency.

The inherent quality of digital lines, combined with developments in data compression, also mean that ISDN can have broadcast applications. Already Capital Radio in London has used it to relay sports commentaries, and in France a major chain of record shops, FNAC, uses ISDN to update material which can be heard by customers at listening posts in its outlets.

In Germany, medical researchers are using the digital network to hold conferences with colleagues, exchanging text, image and data to supplement their conversations.

The possibilities are enormous. So much so that John Sullley, chairman of Apple Computer, in a recent television interview on the American Cable News Network, predicted that telecommunications will dominate the next stage of the development of computing.

Desperate for privatisation

The cost of reunification has driven Deutsche Telekom to the brink

An answer is expected very soon on whether the Bundestag, Germany's parliament, will amend the country's constitution to release Deutsche Telekom, the national telecommunications carrier, from its status as a public authority, *Peter Purton writes*. If the answer is yes, and most observers believe it will be, the decision could come in the nick of time for Telekom's management.

A positive Bundestag decision would mark the final stage of a transformation that only ten years ago most insiders in Germany's telecommunications were saying could never happen. The journey started in the mid-1980s, when international criticism of Germany's closed telecommunications market led to a review of the monopolies of the Deutsche Bundespost, then the national postal authority.



Law: Christian Schwarz-Schilling

The review, led by Professor Eberhard Witte, a respected economist, was completed in 1987, and by 1988 Dr Christian Schwarz-Schilling, the minister responsible, had translated it into legislation. The new Telecommunications Law deprived the Bundespost of almost all its telecommunications monopolies, except in the basic carrying of voice traffic in the fixed network.

As significant as the loss of its monopoly was the decision to split the Deutsche Bundespost into three separate entities, one responsible for its courier duties, another for its savings bank, and a third for telecommunications. By the end of 1990, Deutsche Bundespost Telekom, as the telecommunications entity was named, had recruited a

chairman from the private sector, Helmut Rieke, previously head of Loewe, the consumer electronics manufacturer.

The next big step came in November 1989 with the fall of the Berlin Wall. It was clear from the outset that a priority for a united Germany would be the regeneration of the former German Democratic Republic's neglected infrastructure and that the telecommunications networks would require billions of deutschmarks to be brought up to anything like the standards of the Federal Republic.

Last year alone, Telekom invested DM5.5 billion (£2.2 billion) in the former GDR, making it the largest single investor in eastern Germany. This year the figure is expected to double to DM11 billion (£4.5 billion), and by 1997 total investment is expected to reach DM60 billion (£24.6 billion).

However, this burden is crippling Telekom, which just broke even on a turnover of DM47.2 billion (£19.4 billion) last year. As a result of the absence of profits and the continued need for high investment in the east, Telekom's capital and reserves as a proportion of assets fell to 27 per cent, well below the 33 per cent required of it by German law.

Telekom's management has made no secret of wanting to be released from public administration, if not ownership. "As long as Telekom remains in the web of paragraphs of the public service and the public budget laws, it will not achieve the flexibility it needs to secure its long-term survival and make Germany an attractive location for business and industry," Herr Rieke noted in September.

Telecommunications led the last bout of business growth. Peter Purton asks if it can do it again.

From boom to bust to boom?

When the government announced the end of British Telecom's monopoly of telecommunications in 1982, the sector played a large role in the economic boom of the Thatcher years. Within a few years, the business mushroomed from sales of a few billion pounds a year to tens of billions.

Telecommunications trappings such as the mobile phone and the facsimile machine even became symbols of prosperity. BT's privatisation proved the model on which further attempts at creating a nation of shareholders was based.

However, the telecommunications sector, and in particular the mobile telephone business, was also the one that led the nation into recession. The fall in the mobile telephone business started in 1989, after almost five years of unexpected boom. In some years the sector's growth had been higher than 100 per cent.

The scale of recession in the sector also came as a surprise. Of more than 70 cellular service providers at the peak of the business, just over half remain in business. And, unfortunately for the mobile telecommunications industry, when the recession moved on to other sectors, these included many of its best customers, such as those in finance or construction, which were hit the hardest.

Despite the setbacks, however, the government is keen to keep the flame it has kindled in the telecommunications sector burning. Last year it announced a new, even freer telecommunications policy. Following a year-long review of BT's and Mercury's dominance of fixed telecommunications services, it declared not only an end to the duopoly, but also "an end to the era of managed regulation".

The hope is that somehow

the telecommunications sector can work its magic on the economy again. In response to the government's invitation, more than 30 companies have since applied to be allowed to run fixed-link telecommunications services.

Proposed services range from local radio-based tele-

The scale of recession in the sector came as a surprise

phone networks to national trunks using fibre optics run along canal beds. Likely recipients of the new licences include Sprint, the American long-distance carrier, National Network, a spin-off from Windsor Cable, and Ionica, a new company based in Cambridge.

However, very little has yet been done. For many, the process is taking too long. Raising finance for such capital-intensive projects as telecommunications is difficult in the present economic climate. Even putting together a business plan in such a period of uncertainty is beset with difficulties. But particular criticism is being levelled at the speed with which the telecommunications regulatory system is selecting, awarding and finalising licences.

David Gillick, senior analyst at PA Consulting, based in London, believes the effectiveness of telecommunications regulation should have been reviewed as well as the duopoly. "Competition must be real, not just something presented by governments or regulators," he says. Given the importance of telecommunica-

tions to the global economy, it is very important to get the issue of its regulation sorted out.

Mr Gillick sees it as paradoxical that the more a market is liberalised, the more it appears to need regulating. He believes there must be something wrong with this situation.

The Canadians appear to agree. In Canada's new telecommunications act, currently before its parliament, a principle of forbearance has been established. This means that the regulator automatically withdraws its regulation once the market begins to regulate itself. Mr Gillick would like to see a similar principle introduced into British telecommunications regulation.

"Why continue to regulate when the market can sort it out for itself?" he asks. He believes a similar move in Britain might give the telecommunications scene the shot in the arm it needs to move it out of the doldrums. Then its spell might be persuaded to work again.



Crossed wires: more than 30 companies have applied to offer fixed-link services

Connecting with the east

The obstacles are formidable, but fortune beckons in eastern Europe

The disintegration of the former Soviet Union and the collapse of totalitarian regimes in central and eastern Europe have focused attention on a telecommunications "famine" whose existence was long suspected but the extent of which is scarcely credible. In some places, would-be subscribers routinely had to wait for more than ten years to get a telephone line, and in one former Soviet republic, the waiting list was reportedly 34 years long.

Recognising that communications is one of the key enabling infrastructures on which the improvement of industrial, commercial and social life depends, all governments in the region have put the modernisation and expansion of their telecommunications networks high on the political agenda.

The task of these governments is formidable. Such networks as exist use antique equipment, have high fault rates and cannot meet a fraction of the demand for capacity from business and residential customers.

At the end of the 1980s, the average telephone penetration in eastern Europe was about 12 per 100 inhabitants, compared with over 40 in the European Community. A new estimate by the Arthur D. Little consultancy has put the cost of adding 85 million new telephone lines, to bring the regional penetration level up to 30 per 100 inhabitants, at \$100 billion.

Since eastern Europe is swamped with debt and deficient in the hard currencies in which modern telecommunications equipment and services are internationally traded, the only way forward is

through overseas investment and joint ventures with foreign partners.

However, these groups face considerable disincentives. Repatriation of their profits is difficult, and there is often a hefty up-front "donation", the price which foreign investors must pay to enter a market.

Then there is the difficulty of operating in completely unknown commercial territory. "Often there isn't a body of information about the market

eastern telecommunications companies, western partners have found that turnover is synonymous with profit.

Investment needs to be accompanied by an injection of business expertise. According to London-based PA Consulting, which is advising the Czech and Slovak governments on their telecommunications infrastructure, the local telecommunications administrations are only just beginning to recognise the

plant needing to be amortised over an extended period.

If Cocom regulations against the exporting of strategically important products permit, the region can also leapfrog older generations of technology to take advantage of the most modern solutions to its problems. This has already happened with the use of radio systems instead of wires to provide local telephone connections.

Small dish satellite communications technology, still in its infancy in western Europe, is also forecast to boom in the east. A recent report from the Frost & Sullivan consultancy predicted that by 2001 countries in the east would dominate a European market for two-way dishes worth 370 million ecu (£288 million).

In principle, eastern European governments now have the opportunity to restructure their telecommunications sectors with the mix of monopoly and competition which best suits local conditions. Joint ventures between government bodies and private investors have built business overlay networks in Russia, cellular telephone networks in Czechoslovakia and are starting to construct local telephone systems in Hungary.

Regulatory reform is no panacea by itself. Mr Bisset notes that telecommunications tariffs are hugely uneconomic in some locations because they have not had to fund investment in the past. "Foreign investors will want to see a return, which means prices will have to rise. Otherwise investors will not be interested."

JOHN WILLIAMSON

The region can leapfrog older generations of technology to take advantage of the most modern solutions to its problems

place," says John Carrington, director of new business and mobile communications at Cable & Wireless, of Britain. "You cannot turn to multilateral studies because there aren't any."

Political instability is another important complication. Not only is the complexion of governments likely to change, bringing with it different policies on telecommunications, but the continuing move towards federalism can make network planning a nightmare.

Finally, most of the countries in the region have very imperfect ideas of how commercial businesses need to be run and how market economies function. With some

importance of long-term relationships with their major customers and key account management.

Of the forthcoming opportunities for foreign interests to buy a stake in these organisations, Mike Bisset, PA Consulting's director for the territory, says: "Money by itself will not achieve what they need to achieve. They need market-facing expertise."

If eastern Europe has some big disadvantages as a market for overseas telecommunications vendors, it also has some notable attractions. In addition to huge unsatisfied demand, at present the region has few existing "preferred" supplier arrangements and little in the way of modern

The future is cordless

The telecommunications ideal is to create a universal communicator that can be held in the palm of the hand and enable the user to make calls to, and receive them from, any part of the world.

The pocket-sized CT-2 (cordless telephone, second generation) handset comes close. The same handset can be used as a cordless telephone at home, or as a wireless extension to the telephone switchboard in the office, as well as being used for the public Telepoint service.

There is also the digital European cordless telephone (DECT), whose standards have recently been agreed as a full pan-European standard by the European Telecommunications Standards Institute (ETSI), with the result that even more sophisticated products will be introduced within the next year or two.

The Telepoint service enables a subscriber to make telephone calls to anywhere in the world as long as the caller is within 100 to 200 metres of a base station. In practice, the caller dials the required number, and the Telepoint pocket telephone contacts the base station, a transmitter unit which provides a connection with the national telephone network, and the call can then be connected to another telephone anywhere in the world, like any other call.



House call: one handset can be used at home or outside

There were originally four Telepoint operators in the United Kingdom when the services were launched. Only one remains, and that is now owned by Hutchison Telecom, a subsidiary of Hutchison Whampoa of Hong Kong.

Hutchison's service is now in use in selected areas in the UK under the brand name of Rabbit. The service started in May in the Greater Manchester area, and Hutchison aims to have it operating in all major towns and cities before the end of the month.

The basic Rabbit package, including handset, charger and signing-on fee, is about £175, plus a monthly network access charge of £6. Calls are

charged at 20p a minute peak rate, and 10p off-peak. Other packages include a private base station, so that the handset can also serve as a cordless telephone in the home.

GPT, the manufacturer of much of the CT-2 equipment, is also offering a cordless telephone system which will support up to 30 extensions. This is shortly to be followed by a system for 100 extensions, which can be a mixture of wired and cordless.

A number of other companies, including Motorola, Northern Telecom, Panasonic, Sony and Orbitel, are either making or about to make CT-2 products to serve a growing market in this country and overseas.

Hutchison Personal Communications predicts an annual growth of around 8 per cent in the UK cordless telephone market, with about 5.3 million cordless users by 1997 and annual handset and base station sales of about 2 million. Of these, Hutchison believes that CT-2 will represent about 68 per cent of the market.

The majority of the remainder will probably be accounted for by DECT. Major suppliers developing equipment for DECT, which evolved from Ericsson's CT-3, include Ericsson, Philips, Alcatel and Motorola. The system will support a variety of applications, including residential use, small and large private automatic branch exchanges (PABX), Telepoint, and use as an alternative to the fixed wiring used to connect telephones to the public network.

Hans van der Hoeek, marketing manager of Ericsson Business Mobile Networks in Amsterdam, says that the advanced technology of the CT-3 could mean lower overall system costs than CT-2, although the cost of handsets will be about the same.

Within a decade of the introduction of cordless PABX systems, about 30 per cent of all extensions will be cordless, Ericsson estimates, representing a market worth about \$9 billion (£5.2 billion).

ADRIAN J. MORANT

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Pension funds give jittery market a miss

Institutional investment in property fell sharply during the second quarter of the year, the latest figures from the Central Statistical Office show, demonstrating a continuing lack of confidence in the general economic situation.

Among the pension funds, insurance companies, investment trusts and unit trusts, the greatest reduction in investment came from pension funds, whose purchases fell by 56 per cent, while insurance company purchases were down by 10 per cent. Annual net investment in property for the year to June 1992 was £1,751 million compared with £2,033 million for the year to March 1992, while the quarterly total to June was £207 million compared with £391 million in the quarter to March.

The figures also show that the average turnover for insurance companies and pension funds over the past four quarters is the lowest in seven years. Nevertheless, Hillier Parker reports optimistically, net

while continuing the downward trend over the past year, is still greater than the trough of the last quarter of 1990. Robert Farnes, investment partner at Hillier Parker, said that the economic and financial changes of the past three weeks had yet to be reflected in the strategic thinking of the institutions, although transactions agreed before "Black Wednesday" had continued to exchange of contracts and completion.

"Whether the 1 per cent reduction in the minimum lending rate will provide much of a boost to consumer confidence is not yet clear, but there is some evidence that retail trade is improving, and this may be enough to stimulate investment interest in the sector. The increased stability produced by the new exchange rates may crystallise some overseas interest which had previously hesitated to make a commitment," he said.

Fred Reeder, investment partner of Jones Lang Wootton, said that although the figures indicated a

Lower interest rates should attract institutions into the retail market, Christopher Warman reports

decline in investment, the volume by value of properties traded over the same period had fallen by only 6 per cent. "When allowance is taken of the continuing downward trend in capital values, the figures suggest that there has been little change in the actual volume of properties changing hands."

He argued that despite, or perhaps because of, political and economic uncertainty in the UK and Europe, institutions would continue to invest in property as funds sought to balance their asset

Property will increasingly be seen as a balance against rising inflation

allocation weightings. "In addition, property will increasingly be seen as a balance against the possibility of rising inflation accompanying an economic recovery stimulated by anticipated falling interest rates made possible by the exit from the ERM," he said.

If interest rates continued to fall, property, with average yields stabilising, would appear increasingly attractive to investors. "This will stimulate the release of more product into the market, particularly as investors will begin to anticipate the beginnings of an upturn in tenant demand in the event of signs of economic recovery," Mr Reeder said.

The lack of investment activity during the second quarter has continued into the third quarter in

the atmosphere of economic uncertainty, Adrian White and Ian Scott of Fletcher King, report. "Additionally, there is still a shortage of supply of investment stock, or more accurately, supply from willing sellers at prices purchasers are prepared to pay. It is clear that some properties that do appear are being tested against a selling target, many subsequently being withdrawn when that target is not reached," they say.

Institutions which are investing have retail warehouses, prime town-centre shops and good distribution warehouses at the head of the list, a trend confirmed in a survey of institutional demand by Bernard Thorpe. The survey of the leading 75 institutional property investors shows that demand for distribution warehousing investments has overtaken all other property sectors, and has inspired the funding of speculative or partly let development schemes in areas of proven tenant demand.

In the retail market, many funds are waiting for more evidence of consumer confidence in the high street, but retail warehousing is still strong. The best shopping centres are in demand, and funds are openly competing with property companies and overseas investors.

The Bernard Thorpe survey shows that the office market is expected to return to popularity, particularly in the provinces. Elsewhere, investors are very selective, especially in the South and in central London.

Tony Gray, investment partner at Bernard Thorpe, said that against the present economic backdrop and the more recent exceptional fluctuations in the financial markets, the majority of fund managers were unlikely to modify their strict investment criteria. "Further competition for industrial/warehouse investments seems inevitable and shopping-centre owners can expect to see greater interest, but the popularity of retail warehousing and high-street retail may be reduced by the prolonged recession," he said.



New for old: the design of the entrance hall, above, at 14 Cockspur Street is based on the original, with replica plaster moulding, and the building's facade, below, has been preserved

Edwardian elegance

ST JAMES'S Gate, at 14 Cockspur Street, in central London, has 28,000 sq ft of the highest quality headquarter office space newly built behind its Edwardian facade. Beyond the entrance hall, where fragments of the original plaster mouldings have been copied, is a glass atrium which gives internal light to the six floors. St James's Gate is a development by L'Etoile Properties, a company formed from a consortium of French firms, and the agent Conway Reid is asking a rent of about £40 a sq ft. Next door is St James's Hall, also owned by the consortium, and offering 3,700 sq ft of office space, including a spectacular banking hall which was once the booking hall for the Peninsular and Oriental Steam Navigation Company. Significant interest has already been shown in the properties. St James's Gate and the Hall could be combined if required.



London leads the business world

London remains the leading business location in Europe, according to a survey of 530 senior executives in nine European countries carried out by The Harris Research Centre, London, for consultants Healey & Baker.

First in last year's survey, London strengthened in top place as a business centre, boasting the best access to markets, telecommunications, climate for business created by government and availability of office space.

The first five in the order are unchanged from last year: London, Paris, Frankfurt, Brussels and Amsterdam, although Glasgow leapt up the table from 17th to sixth.

Paris got the highest score for ease of movement within the city, while Frankfurt is considered to have the best transport links overall and is also regarded as a serious challenger to London as the leading financial centre. Brussels is seen, more than ever, as the most important future political centre.

This was the third year of the *European Real Estate Monitor*, and James Hollington, partner at Healey & Baker, said there had been a gradual improving knowledge of Europe's business centres. "It suggests that business people are increasingly thinking as Europeans," he said.

The Monitor places Brussels in the lead for languages spoken; Glasgow for value for money of office space; Lisbon for cost and availability of staff; Stockholm for freedom from pollution; and Munich for quality of life. As well as having immediately available space, London, Manchester and Glasgow all benefit from stability of government and good labour.

Strong support for European Community expansion is expressed. The majority of respondents said that business would benefit from the inclusion of all western European countries, and more than half felt that the ex-communist bloc countries of eastern Europe should eventually be encouraged to join the EC.

Only the Belgians disagreed with the expectation that the newly unified Germany would inevitably become the centre of Europe.

C.W.

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Developers answer the demand for office space in eastern Germany

Leipzig has overtaken Berlin as the most popular eastern German location for property companies planning development. More than two out of three companies planning real-estate projects in the former GDR are doing so in Leipzig, compared with less than half which are opting for Berlin. This is despite the perception that Berlin has stronger economic development potential. These findings are reported in a survey by Jones Lang Wootton (JLW) which examined the international perception of Leipzig, where JLW opened its seventh German office in May.

Like Berlin, Leipzig is experiencing a demand which exceeds supply. The city's central area, within the Promenade Ring, is attracting the strongest demand for sites, buildings and rented space, and Douglas Holoch, who set up JLW's office, believes that the demand for office space will be even greater by the year 2000.

Dr Schimansky of the Leipzig economic development board has, however, warned investors that despite success in the services sector, the development of Leipzig as an

Leipzig under reconstruction

industrial base has an equal priority.

"Even if our policy is not so attractive for the property sector as a whole, we are simply not interested in transforming industrial areas into pure office centres," he says. Two

has been finally decided by the courts.

Despite changes in the law last year, which allowed compensation to be given rather than full restitution for special cases, Mr Holoch believes that the bureaucracy is still preventing

Two years after reunification, developers are still plagued by problems of land ownership

years after reunification, potential investors and developers are still plagued by problems of land ownership.

German authorities have agreed to the restitution of property to owners of land expropriated by the Nazis and the Russian state, but no sale can be made or building permission given until any claim on the land in question

ing much-needed investment from coming into the city.

Although 130 restitution claims have been dealt with and 300 are to be decided shortly, there remain 23,000 outstanding claims in Leipzig. Developers are being pushed out to fringe locations where land ownership issues do not arise, but where existing infrastructure, although

being improved, is at present inadequate.

There are over 10 million sq m of business parks either at the planning stage or under development for the Greater Leipzig area. An example is the 420-hectare Leipzig Süd-West scheme proposed by EML, a real-estate company formed by seven Munich families. The company has been forced to forward-fund DM 1.2 billion of infrastructure improvements. EML is also planning an office and administration complex totalling about 38,000 sq m in the city centre.

Out-of-town rents are expected to be around DM 25-30 a sq m a month, but no discernible letting market has yet developed to test the figure. Rents in the city have fallen in the last six months from DM 70 a sq m a month to DM 60. They are expected to stabilise at around DM 55 as renovated and modernised old buildings come on to the market over the next five years. According to JLW, the high level of rents has led tenants to prefer tenancy agreements running for periods of up to three years.

ANTHONY BARNETT

MARKET MOVES

The Pentagon sells for £37m

IN AN important transaction for the City of London office investment market, British Petroleum has sold The Pentagon, in Chiswell Street, to Gertler Properties for £37 million. The 100,000 sq ft air-conditioned building was let in its entirety in 1989, at a rental of £4 million a year to Lloyds Bank for occupation by its merchant banking subsidiary, Phillip Sinclair Knighton, the agent acting for BP, said that the deal underlined the continuing attractiveness of central London office investments to international investors.

Sale for sightseers

BECKY FALLS, a tourist attraction at Manaton, near Bovey Tracey, Devon, is for sale at "over" £1.5 million through Knight Frank & Rutley. The 45-acre waterfall and woodland park lies in its own valley with a central commercial area, including the owner's cottage, manager's accommodation, gift shop, ice-cream parlour, restaurant and parking. Becky Falls has been run as a successful family business, with its audited accounts showing profits.

Berkeley Square deal

ASIL NADIR'S South Audley Management brought fame to 24 Berkeley



Bulk buy: Gertler Properties has bought BP's Pentagon building

Square, in Mayfair, in the Eighties by paying a rent of some £80 a sq ft for the 2,600 sq ft headquarters building on five floors. With South Audley Management in liquidation, the building is now available to rent through Knight Frank & Rutley at an annual rental of £125,000, which represents a considerable reduction on the rental price during the property boom.

Change at Victoria

PLANS FOR the transformation of the areas in front of Victoria Station, London, have been unveiled by London Transport and Greycoat London Estates. The transport-led scheme, designed by Michael Hopkins & Partners, includes a new bus station under a vaulted steel and glass canopy, improvements to the Underground station, a new pedestrian plaza, and two new office buildings which will help to pay for the transport infrastructure. The buildings will have 126,500 sq ft and 193,000 sq ft of offices.

The plans are on show on the station forecourt until October 23, and an application for planning permission is being submitted to Westminster City Council.

Banker takes St James's
DILLON READ, the American investment banker, has acquired nearly 8,000 sq ft of air-conditioned offices from MEPC within MEPC's headquarters building at 12 St James's Square, London, at a rental that equates to £32.50 a sq ft.

The deal includes a 10-year lease with a rent review in the fifth year and break clauses for the tenant. The rent is one of the best obtained in St James's this year, and MEPC relocated some of its own staff internally to enable Dillon Read to take the fourth floor of the building.

Piggott to star again with Never So Sure

LESTER Piggott delighted his army of followers at Longchamp on Sunday by winning the Prix de l'Abbaye a fourth time when only a month short of his 57th birthday.

Today, it should be the turn of York jockeys to witness another vintage display by the maestro, this time astride Never So Sure in the Newington Hotel York Racecourse Handicap over five furlongs.

Even the minimum trip will take some getting on a rain-soaked tarmac, so it is just as well that Never So Sure has won over longer trips this season.

Importantly, too, it was soft underfoot when he scored at Chester in July.

Since then this Alan Bailey-trained four-year-old has also won the valuable Laurence Bay Handicap over six furlongs on today's track.

He was ridden by Piggott on that occasion when he also had the race sewn up a long way from home.

Never So Sure's subsequent races have been at the Portland Handicap at Doncaster and the Ayr Gold Cup. At Doncaster, he was never in with a chance with a 10lb penalty, while at Ayr he was not

Dr Devious holds fire until Japan Cup after sustaining cut

THE Derby winner Dr Devious, who finished sixth in the Prix de l'Arc de Triomphe on Sunday, will miss the Breeders' Cup Turf in Florida on October 31.

The colt returned from Longchamp with a slightly cut hind leg and connections have now decided to aim him at the Japan Cup, a race that could also attract U.S. interest.

Trainer Peter Chapple-Hyam's wife, Jane, said yesterday: "He nipped a near hind during the race and, though it is not serious, he will not be running at the Breeders' Cup meeting."

"We spoke to his owner, Sidney Craig, this morning and agreed to run him in the Japan Cup instead, which will give him seven weeks to recover."

The fellow, runner-up in the last two Cheltenham Gold Cups, made a successful return, following a three-and-a-half month summer break, at Auteuil yesterday.

He will have one more run before a crack at Newbury's Hennessy Cognac Gold Cup on November 28. The fellow took advantage of a low weight in the £25,600 Prix Carnarthen, a hurdle

Maktoums return in force to dominate Goffs sale

THE racing world heaved a collective sigh of relief yesterday when the Maktoum family of Dubai, who had refrained from buying at Newmarket last week, swung into action at the opening session of the Irish National yearling sales at Kill in co. Kildare.

Of the first 40 lots sold at Ireland's most important yearling auction, Shaikh Hamdan Al-Maktoum's Shadwell Estates company bought three of the four lots for 100,000 guineas and more.

The finance minister of Dubai was himself the successful bidder when acquiring a full-brother to his triple classic winning filly, Salsabil, for 560,000 guineas.

Philip Myerscough, managing director of Goffs, conducted the bids for the swaggering bay colt with the white face and two white hind legs.

The serious action started when Vincent O'Brien's son, Charles, made an offer of 240,000 guineas. Then Shaikh Hamdan joined in at 540,000 guineas before Shaikh Hamdan secured the deal.

John Dunlop, previously the trainer not only of Salsabil but

too much for granted.

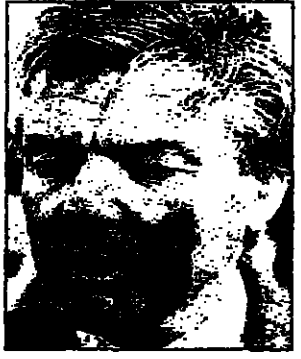
After all, if they run too many horses in a race, they are accused of dominating the sport and if they fail to win sufficient group one races, they are immediately dubbed as inefficient. These are proud men, who are members of a ruling family.

However, despite the Maktoums' absence from Newmarket, where in 1991 they purchased 43 yearlings for £4 million guineas, reports that Tattersalls is now to reconsider its decision to maintain its British base, are premature.

"We're in a tough position," said Andrew Howland, marketing director of the Newmarket-based firm. "But racing is a bit apt to talk its business down. At times it's rather inclined to shoot itself in the foot."

"Of course, we missed the Maktoums — they have a colossal presence. But the tumbling pound is making British yearlings attractive to buyers from Japan and elsewhere."

"But we're still got 20 days of selling left. We're going to keep an eye on the situation and review it at the end of that time."



Dr Devious: eyes Hennessy with the fellow

MANDARIN

2.00 Lyford City.
2.30 Regency.
3.00 Never So Sure.
3.30 Cold Shower.
4.00 George Roper.
4.30 Allegan.
5.00 Soviet Secret.

THUNDERER

2.00 Pistol River.
2.30 CRYSTAL HEIGHTS (nap).
3.00 Never So Sure.
3.30 Cold Shower.
4.00 So So.
4.30 Allegan.
5.00 Soviet Secret.

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3.00 NEWINGTON HOTEL YORK RACERS HANDICAP
(£5,160: 50 (12 runners)

301 (4) 302000 NEVER SO SURE 10 (N/S) (A) (B) (C) (D) (E) (F) (G) (H) (I) (J) (K) (L) (M) (N) (O) (P) (Q) (R) (S) (T) (U) (V) (W) (X) (Y) (Z) (AA) (AB) (AC) (AD) (AE) (AF) (AG) (AH) (AI) (AJ) (AK) (AL) (AM) (AN) (AO) (AP) (AQ) (AR) (AS) (AT) (AU) (AV) (AW) (AX) (AY) (AZ) (BA) (BB) (BC) (BD) (BE) (BF) (BG) (BH) (BI) (BJ) (BK) (BL) (BM) (BN) (BO) (BP) (BQ) (BR) (BS) (BT) (BU) (BV) (BW) (BX) (BY) (BZ) (CA) (CB) (CC) (CD) (CE) (CF) (CG) (CH) (CI) (CJ) (CK) (CL) (CM) (CN) (CO) (CP) (CQ) (CR) (CS) (CT) (CU) (CV) (CW) (CX) (CY) (CZ) (DA) (DB) (DC) (DD) (DE) (DF) (DG) (DH) (DI) (DJ) (DK) (DL) (DM) (DN) (DO) (DP) (DQ) (DR) (DS) (DT) (DU) (DV) (DW) (DX) (DY) (DZ) (EA) (EB) (EC) (ED) (EE) (EF) (EG) (EH) (EI) (EJ) (EK) (EL) (EM) (EN) (EO) (EP) (EQ) (ER) (ES) (ET) (EU) (EV) (EW) (EX) (EY) (EZ) (FA) (FB) (FC) (FD) (FE) (FF) (FG) (FH) (FI) (FJ) (FK) (FL) (FM) (FN) (FO) (FP) (FQ) (FR) (FS) (FT) (FU) (FV) (FW) (FX) (FY) (FZ) (GA) (GB) (GC) (GD) (GE) (GF) (GG) (GH) (GI) (GJ) (GK) (GL) (GM) (GN) (GO) (GP) (GQ) (GR) (GS) (GT) (GU) (GV) (GW) (GX) (GY) (GZ) (HA) (HB) (HC) (HD) (HE) (HF) (HG) (HH) (HI) (HJ) (HK) (HL) (HM) (HN) (HO) (HP) (HQ) (HR) (HS) (HT) (HU) (HV) (HW) (HX) (HY) (HZ) (IA) (IB) (IC) (ID) (IE) (IF) (IG) (IH) (II) (IJ) (IK) (IL) (IM) (IN) (IO) (IP) (IQ) (IR) (IS) (IT) (IU) (IV) (IW) (IX) (IY) (IZ) (JA) (JB) (JC) (JD) (JE) (JF) (JG) (JH) (JI) (JJ) (JK) (JL) (JM) (JN) (JO) (JP) (JQ) (JR) (JS) (JT) (JU) (JV) (JW) (JX) (JY) (JZ) (KA) (KB) (KC) (KD) (KE) (KF) (KG) (KH) (KI) (KJ) (KL) (KM) (KN) (KO) (KP) (KQ) (KR) (KS) (KT) (KU) (KV) (KW) (KX) (KY) (KZ) (LA) (LB) (LC) (LD) (LE) (LF) (LG) (LH) (LI) (LJ) (LK) (LM) (LN) (LO) (LP) (LQ) (LR) (LS) (LT) (LU) (LV) (LW) (LX) (LY) (LZ) (MA) (MB) (MC) (MD) (ME) (MF) (MG) (MH) (MI) (MJ) (MK) (ML) (MN) (MO) (MP) (MQ) (MR) (MS) (MT) (MU) (MV) (MW) (MX) (MY) (MZ) (NA) (NB) (NC) (ND) (NE) (NF) (NG) (NH) (NI) (NJ) (NK) (NL) (NM) (NO) (NP) (NQ) (NR) (NS) (NT) (NU) (NV) (NW) (NX) (NY) (NZ) (OA) (OB) (OC) (OD) (OE) (OF) (OG) (OH) (OI) (OJ) (OK) (OL) (OM) (ON) (OO) (OP) (OQ) (OR) (OS) (OT) (OU) (OV) (OW) (OX) (OY) (OZ) (PA) (PB) (PC) (PD) (PE) (PF) (PG) (PH) (PI) (PJ) (PK) (PL) (PM) (PN) (PO) (PP) (PQ) (PR) (PS) (PT) (PU) (PV) (PW) (PX) (PY) (PZ) (QA) (QB) (QC) (QD) (QE) (QF) (QG) (QH) (QI) (QJ) (QK) (QL) (QM) (QN) (QO) (QP) (QQ) (QR) (QS) (QT) (QU) (QV) (QW) (QX) (QY) (QZ) (RA) (RB) (RC) (RD) (RE) (RF) (RG) (RH) (RI) (RJ) (RK) (RL) (RM) (RN) (RO) (RP) (RQ) (RR) (RS) (RT) (RU) (RV) (RW) (RX) (RY) (RZ) (SA) (SB) (SC) (SD) (SE) (SF) (SG) (SH) (SI) (SJ) (SK) (SL) (SM) (SN) (SO) (SP) (SQ) (SR) (SS) (ST) (SU) (SV) (SW) (SX) (SY) (SZ) (TA) (TB) (TC) (TD) (TE) (TF) (TG) (TH) (TI) (TJ) (TK) (TL) (TM) (TN) (TO) (TP) (TQ) (TR) (TS) (TT) (TU) (TV) (TW) (TX) (TY) (TZ) (UA) (UB) (UC) (UD) (UE) (UF) (UG) (UH) (UI) (UJ) (UK) (UL) (UM) (UN) (UO) (UP) (UQ) (UR) (US) (UT) (UU) (UV) (UW) (UX) (UY) (UZ) (VA) (VB) (VC) (VD) (VE) (VF) (VG) (VH) (VI) (VJ) (VK) (VL) (VM) (VN) (VO) (VP) (VQ) (VR) (VS) (VT) (VU) (VV) (VW) (VX) (VY) (VZ) (WA) (WB) (WC) (WD) (WE) (WF) (WG) (WH) (WI) (WJ) (WK) (WL) (WM) (WN) (WO) (WP) (WQ) (WR) (WS) (WT) (WU) (WV) (WW) (WX) (WY) (WZ) (XA) (XB) (XC) (XD) (XE) (XF) (XG) (XH) (XI) (XJ) (XK) (XL) (XM) (XN) (XO) (XP) (XQ) (XR) (XS) (XT) (XU) (XV) (XW) (XX) (XY) (XZ) (YA) (YB) (YC) (YD) (YE) (YF) (YG) (YH) (YI) (YJ) (YK) (YL) (YM) (YN) (YO) (YP) (YQ) (YR) (YS) (YT) (YU) (YV) (YW) (YX) (YY) (YZ) (ZA) (ZB) (ZC) (ZD) (ZE) (ZF) (ZG) (ZH) (ZI) (ZJ) (ZK) (ZL) (ZM) (ZN) (ZO) (ZP) (ZQ) (ZR) (ZS) (ZT) (ZU) (ZV) (ZW) (ZX) (ZY) (ZZ)

MANDARIN

2.10 Artistic Reef.
2.40 American Coffee.
3.10 Cherry Day.
3.40 Lord Hand.
4.10 Light Hand.
4.40 Merrymaid.
5.10 DRAGON'S TEETH (nap).

THUNDERER

2.10 Artistic Reef.
2.40 American Coffee.
3.10 Cherry Day.
3.40 Lord Hand.
4.10 Light Hand.
4.40 Merrymaid.
5.10 DRAGON'S TEETH (nap).

RICHARD EVANS: 4.10 Light Hand. 5.10 DRAGON'S TEETH (nap).

3.40 KING'S REGIMENT CUP HANDICAP
(£3,377: 2m 45yd) (9 runners)

1 (4) 424000 LORD HASTE 49 (C.F.S) (A) (B) (C) (D) (E) (F) (G) (H) (I) (J) (K) (L) (M) (N) (O) (P) (Q) (R) (S) (T) (U) (V) (W) (X) (Y) (Z) (AA) (AB) (AC) (AD) (AE) (AF) (AG) (AH) (AI) (AJ) (AK) (AL) (AM) (AN) (AO) (AP) (AQ) (AR) (AS) (AT) (AU) (AV) (AW) (AX) (AY) (AZ) (BA) (BB) (BC) (BD) (BE) (BF) (BG) (BH) (BI) (BJ) (BK) (BL) (BM) (BN) (BO) (BP) (BQ) (BR) (BS) (BT) (BU) (BV) (BW) (BX) (BY) (BZ) (CA) (CB) (CC) (CD) (CE) (CF) (CG) (CH) (CI) (CJ) (CK) (CL) (CM) (CN) (CO) (CP) (CQ) (CR) (CS) (CT) (CU) (CV) (CW) (CX) (CY) (CZ) (DA) (DB) (DC) (DD) (DE) (DF) (DG) (DH) (DI) (DJ) (DK) (DL) (DM) (DN) (DO) (DP) (DQ) (DR) (DS) (DT) (DU) (DV) (DW) (DX) (DY) (DZ) (EA) (EB) (EC) (ED) (EE) (EF) (EG) (EH) (EI) (EJ) (EK) (EL) (EM) (EN) (EO) (EP) (EQ) (ER) (ES) (ET) (EU) (EV) (EW) (EX) (EY) (EZ) (FA) (FB) (FC) (FD) (FE) (FF) (FG) (FH) (FI) (FJ) (FK) (FL) (FM) (FN) (FO) (FP) (FQ) (FR) (FS) (FT) (FU) (FV) (FW) (FX) (FY) (FZ) (GA) (GB) (GC) (GD) (GE) (GF) (GG) (GH) (GI) (GJ) (GK) (GL) (GM) (GN) (GO) (GP) (GQ) (GR) (GS) (GT) (GU) (GV) (GW) (GX) (GY) (GZ) (HA) (HB) (HC) (HD) (HE) (HF) (HG) (HH) (HI) (HJ) (HK) (HL) (HM) (HN) (HO) (HP) (HQ) (HR) (HS) (HT) (HU) (HV) (HW) (HX) (HY) (HZ) (IA) (IB) (IC) (ID) (IE) (IF) (IG) (IH) (II) (IJ) (IK) (IL) (IM) (IN) (IO) (IP) (IQ) (IR) (IS) (IT) (IU) (IV) (IW) (IX) (IY) (IZ) (JA) (JB) (JC) (JD) (JE) (JF) (JG) (JH) (JI) (JJ) (JK) (JL) (JM) (JN) (JO) (JP) (JQ) (JR) (JS) (JT) (JU) (JV) (JW) (JX) (JY) (JZ) (KA) (KB) (KC) (KD) (KE) (KF) (KG) (KH) (KI) (KJ) (KL) (KM) (KN) (KO) (KP) (KQ) (KR) (KS) (KT) (KU) (KV) (KW) (KX) (KY) (KZ) (LA) (LB) (LC) (LD) (LE) (LF) (LG) (LH) (LI) (LJ) (LK) (LM) (LN) (LO) (LP) (LQ) (LR) (LS) (LT) (LU) (LV) (LW) (LX) (LY) (LZ) (MA) (MB) (MC) (MD) (ME) (MF) (MG) (MH) (MI) (MJ) (MK) (ML) (MN) (MO) (MP) (MQ) (MR) (MS) (MT) (MU) (MV) (MW) (MX) (MY) (MZ) (NA) (NB) (NC) (ND) (NE) (NF) (NG) (NH) (NI) (NJ) (NK) (NL) (NM) (NO) (NP) (NQ) (NR) (NS) (NT) (NU) (NV) (NW) (NX) (NY) (NZ) (OA) (OB) (OC) (OD) (OE) (OF) (OG) (OH) (OI) (OJ) (OK) (OL) (OM) (ON) (OO) (OP) (OQ) (OR) (OS) (OT) (OU) (OV) (OW) (OX) (OY) (OZ) (PA) (PB) (PC) (PD) (PE) (PF) (PG) (PH) (PI) (PJ) (PK) (PL) (PM) (PN) (PO) (PP) (PQ) (PR) (PS) (PT) (PU) (PV) (PW) (PX) (PY) (PZ) (QA) (QB) (QC) (QD) (QE) (QF) (QG) (QH) (QI) (QJ) (QK) (QL) (QM) (QN) (QO) (QP) (QQ) (QR) (QS) (QT) (QU) (QV) (QW) (QX) (QY) (QZ) (RA) (RB) (RC) (RD) (RE) (RF) (RG) (RH) (RI) (RJ) (RK) (RL) (RM) (RN) (RO) (RP) (RQ) (RR) (RS) (RT) (RU) (RV) (RW) (RX) (RY) (RZ) (SA) (SB) (SC) (SD) (SE) (SF) (SG) (SH) (SI) (SJ) (SK) (SL) (SM) (SN) (SO) (SP) (SQ) (SR) (SS) (ST) (SU) (SV) (SW) (SX) (SY) (SZ) (TA) (TB) (TC) (TD) (TE) (TF) (TG) (TH) (TI) (TJ) (TK) (TL) (TM) (TN) (TO) (TP) (TQ) (TR) (TS) (TT) (TU) (TV) (TW) (TX) (TY) (TZ) (UA) (UB) (UC) (UD) (UE) (UF) (UG) (UH) (UI) (UJ) (UK) (UL) (UM) (UN) (UO) (UP) (UQ) (UR) (US) (UT) (UU) (UV) (UW) (UX) (UY) (UZ) (VA) (VB) (VC) (VD) (VE) (VF) (VG) (VH) (VI) (VJ) (VK) (VL) (VM) (VN) (VO) (VP) (VQ) (VR) (VS) (VT) (VU) (VV) (VW) (VX) (VY) (VZ) (WA) (WB) (WC) (WD) (WE) (WF) (WG) (WH) (WI) (WJ) (WK) (WL) (WM) (WN) (WO) (WP) (WQ) (WR) (WS) (WT) (WU) (WV) (WW) (WX) (WY) (WZ) (XA) (XB) (XC) (XD) (XE) (XF) (XG) (XH) (XI) (XJ) (XK) (XL) (XM) (XN) (XO) (XP) (XQ) (XR) (XS) (XT) (XU) (XV) (XW) (XX) (XY) (XZ) (YA) (YB) (YC) (YD) (YE) (YF) (YG) (YH) (YI) (YJ) (YK) (YL) (YM) (YN) (YO) (YP) (YQ) (YR) (YS) (YT) (YU) (YV) (YW) (YX) (YY) (YZ) (ZA) (ZB) (ZC) (ZD) (ZE) (ZF) (ZG) (ZH) (ZI) (ZJ) (ZK) (ZL) (ZM) (ZN) (ZO) (ZP) (ZQ) (ZR) (ZS) (ZT) (ZU) (ZV) (ZW) (ZX) (ZY) (ZZ)

RICHARD EVANS: 4.10 Light Hand. 5.10 DRAGON'S TEETH (nap).

GUIDE TO

105 (12) 0-0422 8000 TIMES 74 (C.F.S) (A) (B) (C) (D) (E) (F) (G) (H) (I) (J) (K) (L) (M) (N) (O) (P) (Q) (R) (S) (T) (U) (V) (W) (X) (Y) (Z) (AA) (AB) (AC) (AD) (AE) (AF) (AG) (AH) (AI) (AJ) (AK) (AL) (AM) (AN) (AO) (AP) (AQ) (AR) (AS) (AT) (AU) (AV) (AW) (AX) (AY) (AZ) (BA) (BB) (BC) (BD) (BE) (BF) (BG) (BH) (BI) (BJ) (BK) (BL) (BM) (BN) (BO) (BP) (BQ) (BR) (BS) (BT) (BU) (BV) (BW) (BX) (BY) (BZ) (CA) (CB) (CC) (CD) (CE) (CF) (CG) (CH) (CI) (CJ) (CK) (CL) (CM) (CN) (CO) (CP) (CQ) (CR) (CS) (CT) (CU) (CV) (CW) (CX) (CY) (CZ) (DA) (DB) (DC) (DD) (DE) (DF) (DG) (DH) (DI) (DJ) (DK) (DL) (DM) (DN) (DO) (DP) (DQ) (DR) (DS) (DT) (DU) (DV) (DW) (DX) (DY) (DZ) (EA) (EB) (EC) (ED) (EE) (EF) (EG) (EH) (EI) (EJ) (EK) (EL) (EM) (EN) (EO) (EP) (EQ) (ER) (ES) (ET) (EU) (EV) (EW) (EX) (EY) (EZ) (FA) (FB) (FC) (FD) (FE) (FF) (FG) (FH) (FI) (FJ) (FK) (FL) (FM) (FN) (FO) (FP) (FQ) (FR) (FS) (FT) (FU) (FV) (FW) (FX) (FY) (FZ) (GA) (GB) (GC) (GD) (GE) (GF) (GG) (GH) (GI) (GJ) (GK) (GL) (GM) (GN) (GO) (GP) (GQ) (GR) (GS) (GT) (GU) (GV) (GW) (GX) (GY) (GZ) (HA) (HB) (HC) (HD) (HE) (HF) (HG) (HH) (HI) (HJ) (HK) (HL) (HM) (HN) (HO) (HP) (HQ) (HR) (HS) (HT) (HU) (HV) (HW) (HX) (HY) (HZ) (IA) (IB) (IC) (ID) (IE) (IF) (IG) (IH) (II) (IJ) (IK) (IL) (IM) (IN) (IO) (IP) (IQ) (IR) (IS) (IT) (IU) (IV) (IW) (IX) (IY) (IZ) (JA) (JB) (JC) (JD) (JE) (JF) (JG) (JH) (JI) (JJ) (JK) (JL) (JM) (JN) (JO) (JP) (JQ) (JR) (JS) (JT) (JU) (JV) (JW) (JX) (JY) (JZ) (KA) (KB) (KC) (KD) (KE) (KF) (KG) (KH) (KI) (KJ) (KL) (KM) (KN) (KO) (KP) (KQ) (KR) (KS) (KT) (KU) (KV) (KW) (KX) (KY) (KZ) (LA) (LB) (LC) (LD) (LE) (LF) (LG) (LH) (LI) (LJ) (LK) (LM) (LN) (LO) (LP) (LQ) (LR) (LS) (LT) (LU) (LV) (LW) (LX) (LY) (LZ) (MA) (MB) (MC) (MD) (ME) (MF) (MG) (MH) (MI) (MJ) (MK) (ML) (MN) (MO) (MP) (MQ) (MR) (MS) (MT) (MU) (MV) (MW) (MX) (MY) (MZ) (NA) (NB) (NC) (ND) (NE) (NF) (NG) (NH) (NI) (NJ) (NK) (NL) (NM) (NO) (NP) (NQ) (NR) (NS) (NT) (NU) (NV) (NW) (NX) (NY) (NZ) (OA) (OB) (OC) (OD) (OE) (OF) (OG) (OH) (OI) (OJ) (OK) (OL) (OM) (ON) (OO) (OP) (OQ) (OR) (OS) (OT) (OU) (OV) (OW) (OX) (OY) (OZ) (PA) (PB) (PC) (PD) (PE) (PF) (PG) (PH) (PI) (PJ) (PK) (PL) (PM) (PN) (PO) (PP) (PQ) (PR) (PS) (PT) (PU) (PV) (PW) (PX) (PY) (PZ) (QA) (QB) (QC) (QD) (QE) (QF) (QG) (QH) (QI) (QJ) (QK) (QL) (QM) (QN) (QO) (QP) (QQ) (QR) (QS) (QT) (QU) (QV) (QW) (QX) (QY) (QZ) (RA) (RB) (RC) (RD) (RE) (RF) (RG) (RH) (RI) (RJ) (RK) (RL) (RM) (RN) (RO) (RP) (RQ) (RR) (RS) (RT) (RU) (RV) (RW) (RX) (RY) (RZ) (SA) (SB) (SC) (SD) (SE) (SF) (SG) (SH) (SI) (SJ) (SK) (SL) (SM) (SN) (SO) (SP) (SQ) (SR) (SS) (ST) (SU) (SV) (SW) (SX) (SY) (SZ) (TA) (TB) (TC) (TD) (TE) (TF) (TG) (TH) (TI) (TJ) (TK) (TL) (TM) (TN) (TO) (TP) (TQ) (TR) (TS) (TT) (TU) (TV) (TW) (TX) (TY) (TZ) (UA) (UB) (UC) (UD) (UE) (UF) (UG) (UH) (UI) (UJ) (UK) (UL) (UM) (UN) (UO) (UP) (UQ) (UR) (US) (UT) (UU) (UV) (UW) (UX) (UY) (UZ) (VA) (VB) (VC) (VD) (VE) (VF) (VG) (VH) (VI) (VJ) (VK) (VL) (VM) (VN) (VO) (VP) (VQ) (VR) (VS) (VT) (VU) (VV) (VW) (VX) (VY) (VZ) (WA) (WB) (WC) (WD) (WE) (WF) (WG) (WH) (WI) (WJ) (WK) (WL) (WM) (WN) (WO) (WP) (WQ) (WR) (WS) (WT) (WU) (WV) (WW) (WX) (WY) (WZ) (XA) (XB) (XC) (XD) (XE) (XF) (XG) (XH) (XI) (XJ) (XK) (XL) (XM) (XN) (XO) (XP) (XQ) (XR) (XS) (XT) (XU) (XV) (XW) (XX) (XY) (XZ) (YA) (YB) (YC) (YD) (YE) (YF) (YG) (YH) (YI) (YJ) (YK) (YL) (YM) (YN) (YO) (YP) (YQ) (YR) (YS) (YT) (YU) (YV) (YW) (YX) (YY) (YZ) (ZA) (ZB) (ZC) (ZD) (ZE) (ZF) (ZG) (ZH) (ZI) (ZJ) (ZK) (ZL) (ZM) (ZN) (ZO) (ZP) (ZQ) (ZR) (ZS) (ZT) (ZU) (ZV) (ZW) (ZX) (ZY) (ZZ)

FORM FOCUS

NEVER SO SURE last 10 races: 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th. NEVER SO SURE last 10 races: 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th.

FORM FOCUS

NEVER SO SURE last 10 races: 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th. NEVER SO SURE last 10 races: 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th.

FORM FOCUS

NEVER SO SURE last 10 races: 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th. NEVER SO SURE last 10 races: 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th.

2.00 MONKIE MAIDEN MEDIAN STAKES
(2-Y-O: £5,010: 6f 21yd) (14 runners)

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FORM FOCUS

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2.30 MICKLEBATE SELLING STAKES
(£5,361: 6f) (19 runners)

1 (4) 302000 NEVER SO SURE 10 (N/S) (A) (B) (C) (D) (E) (F) (G) (H) (I) (J) (K) (L) (M) (N) (O) (P) (Q) (R) (S) (T) (U) (V) (W) (X) (Y) (Z) (AA) (AB) (AC) (AD) (AE) (AF) (AG) (AH) (AI) (AJ) (AK) (AL) (AM) (AN) (AO) (AP) (AQ) (AR) (AS) (AT) (AU) (AV) (AW) (AX) (AY) (AZ) (BA) (BB) (BC) (BD) (BE) (BF) (BG) (BH) (BI) (BJ) (BK) (BL) (BM) (BN) (BO) (

Uefa makes unpopular decision

Barcelona chosen as venue for third Leeds match

By Stuart Jones, Football Correspondent

LEEDS United's European Cup-tie against VfB Stuttgart will be decided at the Nou Camp stadium in Barcelona on Friday night. After five days of procrastination, Uefa, the governing body of European football, finally determined yesterday the suitable time and place for the third leg of the tie.

The solution, which emerged after appeals and counter-appeals from both clubs, will be seen by Uefa as an appropriate compromise. In effect, though, it has caused maximum inconvenience not only to Leeds and four countries preparing for next week's World Cup qualifying ties but also to Southampton United, who were due to play Leeds tonight in a Coca-Cola Cup-tie.

However, as Leslie Silver, the Leeds chairman, said, at least the matter is about to be concluded. "The last few days had become a farce," he said. "So we are pleased that the situation has been resolved. We can get on with playing

football and stop playing politics."

Once Leeds had heard of the decision, they chose not to appeal against it. Instead, they trusted they would be offered the assistance of the national managers of England, Scotland, Wales and France, each of whom could have demanded the release of their international players.

The co-operation was forthcoming. Graham Taylor agreed to release David Batty and Tony Dorigo, who will join the rest of the England squad at the weekend rather than on Thursday in Lillleshall for fitness assessments.

"I want to support Leeds," Taylor said. Clearly, though, he will be displeased that his first free weekend of the season has been so disrupted. So will Andy Roxburgh, the Scotland coach, who has allowed Gary McAllister to represent Leeds, and Terry Yorath, of Wales, who has freed Gary Speed. Gerard Houllier, the France manager, has also permitted Eric Cantona to

represent his club. Yet he, like the other national managers, had a right to insist that his chosen squad member should be available to him.

Leeds have also been spared, with the permission of the Football Association, the ordeal of completing their Coca-Cola Cup tie against Southampton. It was to have been held at Elland Road tonight but it has been postponed.

"It is in the best interests of British football that this matter is settled as quickly as possible," Silver said. "We are concerned about upholding the goodwill and reputation of this club, English football and the relationship between ourselves and Uefa. We'll play the game and hope to win through to the second round against Rangers."

Stuttgart beat Leeds 3-0 in the first leg. Leeds won the second leg last Wednesday 4-1 but Stuttgart qualified for the second round on the away-goals rule. However, Uefa ruled that Stuttgart had fielded an ineligible player in the second leg and eventually demanded a replay. Uefa was determined that the third game would not interfere with the next round, the first leg of which is scheduled to be played on October 21. Friday's match will be conclusive. If necessary, extra time and penalties will be used.

Yet it may be staged in front of a minimal audience. The stadium, the centrepiece of the Olympic Games football tournament during the summer, has a capacity of 120,000, but Howard Wilkinson, the Leeds manager, commented: "It will be near as dammit empty. The atmosphere will be the same for both sides and so, in that way, the competition will be as fair as can be on the night."

Nevertheless, Wilkinson indicated his side would be especially eager to earn the right to go through to play Rangers in the last 16. "There has been a lot of giving and taking to arrange this tie," Wilkinson said, "and we seem to have been doing most of the giving. We won't be short of reasons for wanting to go out and win on Friday."

welcomed by Leeds officials.

"It's brilliant news," the club secretary, Nigel Pleasants, said. "We have managed to charter a plane for the team and press, but there's not much time for supporters to make their arrangements."

Leeds are still waiting to hear from Uefa regarding ticket arrangements and how the costs arising from the match will be met. The game will be transmitted live on BBC Radio 5, starting at 8pm.

Leeds to be live on TV

SUPPORTERS of Leeds United will be able to watch their team's European Cup tie against Stuttgart on Friday on ITV. "The whole match will be networked live," a spokesman, Peter Coppock, said yesterday. "There is certain to be tremendous interest."

ITV will have to pay around £200,000 for the rights to screen the game from Barcelona's Nou Camp stadium.

The decision was warmly

Hitchcock rewarded

KEVIN Hitchcock, the goalkeeper who ousted Dave Beasant at Chelsea, was yesterday given a new four-year contract.

Hitchcock was on a week-to-week contract at Stamford Bridge before Chelsea's manager, Ian Porterfield, called him up to replace Beasant. Beasant had made a succession of blunders, two of them

leading to goals for Norwich City on September 12.

Since then, Hitchcock, the former Mansfield Town goalkeeper, has kept three clean sheets, and although Chelsea lost 2-1 at Arsenal on Saturday, he saved a penalty.

Chelsea are still hoping to import the Russian goalkeeper, Dmitri Kharin, for a trial period.



Andrew: return from France will result in an embarrassment of riches in midfield at Sudbury

Andrew back to play for Wasps

By David Hands, Rugby Correspondent

ROB Andrew, England's most capped stand-off half with 48 appearances, will return this month to Wasps, the club he guided to the Courage Clubs Championship in 1990 and which stands at the head of the present first division table.

Andrew, 29, has spent the last year playing for Toulouse, having moved to France at the invitation of his employers, Debenham Tewson and Chinnocks, the international property advisers, who are also sponsors to Wasps.

However, the company decided he should return a year earlier than expected and Andrew will be available to play club rugby on October 31 (when Wasps play Cambridge, his university). He is likely, though, to have made a representative appearance a fortnight earlier, having been named in the England squad to prepare for the international against Canada on October 17 just down the road from Wasps, at Wembley.

"I never really left the fold," he said. "It was felt that now was a good time to come back into the UK property investment market, but it is unfortunate that my very enjoyable time with Stade Toulousain has been cut short just when things were going so well for the team."

However, Andrew returns to a buoyant Wasps, who have three wins out of three in the league and have been greatly assisted by the form of Adrian Thompson, the former Harlequins and Rosslyn Park stand-off. Indeed their midfield has been operating particularly effectively and Andrew's presence will mean an embarrassment of riches.

Wasps have yet to approach the Senior Clubs Association Registrar to re-register Andrew — who has played this season in the Yves du Manoir competition for Toulouse — and after they have done so the question of his eligibility to play competitive rugby in England will be discussed.

But there appears no reason why he should not resume his career at the earliest opportunity since he does not fall within the orbit of the restrictive eligibility regulation. Philippe Sella, the French centre, will miss his country's match with South Africa on October 17 because of a serious thigh bruise, his doctor said yesterday.

Dr Jean Fabre said Sella was given general anaesthesia on Tuesday and an incision was made in his thigh to break up clots of blood in the bruise, which he sustained during a match.

Fabre said Sella would definitely miss the first international against South Africa in Lyon and probably would not be fit for the second, on October 24 in Paris.

Sella, who captained France in last season's five nations' championship, agreed with the French coach, Pierre Berbizier, to miss the summer tour to Argentina.

More rugby, page 30

Doyle severs link with Hearn

By Phil Yates

IAN Doyle has resigned from his partnership with Barry Hearn in snooker's world series and two of Doyle's players — Stephen Hendry, the world champion, and Mike Hallett — have been withdrawn from the Belgian Masters in Antwerp this month.

Doyle's decision to sever his world series connections with Hearn, a fellow board member of the World Professional Billiards and Snooker Association, follows financial and procedural disagreements in addition to the failure of Gary

Wilkinson to secure a place in the Belgian Masters field.

"Although I was a partner in world series, I might as well have been on the moon in terms of consultation," Doyle said yesterday. "My players are still awaiting money from the Kent Classic in China five weeks ago. The whole matter is in the hands of my solicitors."

Doyle is also annoyed that Wilkinson, the world No. 8 and one of his players, has been passed over in favour of Peter Ebdon and Ronnie O'Sullivan, who, the Belgian promoters believe, possess more crowd appeal.

The event, won last year by Hallett, will now revert to an invitation tournament outside the world series. Tony Drago, of Malta, and Allison Fisher, the women's world champion, are likely to replace Hendry and Hallett.

Frank Verecke, one of the joint promoters, said: "I'm not happy not to have Stephen and Mike here but I won't give in to blackmail."

In response, Hearn said: "Promoters in Belgium wanted to invite Ebdon and O'Sullivan not me. The only losers have been the players because the prize-money has been reduced to £50,000."

"With regard to the money from China, it is not Barry Hearn that owes the money. It is World Series Snooker that is still owed money by the sponsor and, as soon as it comes in, it will be paid out immediately."

John Parrott, the defending champion, reached the semi-finals of the £224,000 Dubai Duty Free Classic yesterday with a 5-0 victory over Mick Price, of Nuneaton. After trailing Willie Thorne 2-1, James Wattana recovered to win the next four frames for a 5-2 success.

Results, page 31

Bates returns to court after having tests on heart

By Andrew Longmore

JEREMY Bates, who lost to Neil Borwick in the first round of the Australian Indoor tennis championships in Sydney, has undergone heart tests and might be forced to cut back his schedule over the winter.

The British No. 1, aged 30 and ranked 90 in the world, went to hospital in Brisbane last week after suffering from "pounding pains" in his chest. Bates has been plagued by mystery ailments in recent years. Exhaustive tests carried

out two years ago failed to identify the cause of a virus which affected his stamina for much of the summer. In the disastrous Davis Cup tie in Delhi last month, he had a bout of dizziness and suffered from such severe headaches that he had to consult a neurologist. Bates was advised by the British Davis Cup team doctor, John Matthews, to return home after the tie. But, despite having a pulled stomach muscle, he was forced to go to Brisbane to avoid being fined by the ATP Tour.

Bates lost 6-1, 6-4 to Borwick, of Australia, a wildcard entry, in his first match for eight days and then revealed that he needed cardiac tests in a Brisbane hospital. "I was awake all night and my heart was pounding. I didn't know what the heck was going on, so I went to the hospital at six in the morning. I was starting to get pretty scared," Bates, 30, said. "They did all kinds of tests on me and then I flew down to Melbourne to stay with a friend of mine who is a cardio-vascular

surgeon and I had some blood tests done."

"They've discovered a couple of things wrong with me. I get low blood pressure when I stand up and I have a spasm in the neck, so I am having problems swallowing."

"I felt fine out there today, I was just happy to be on the court, but I'm a bit scared about actually pushing my respiratory system. I've done a lot this year and I think it's just my body telling me I have to pack it in a bit."

John McEnroe said yesterday he would be willing to donate a percentage of his tennis prize-money to help the world's needy. After coming from a set down to eliminate Andrei Olhovskiy, of Russia, in the second round in Sydney, McEnroe said: "I would give five or ten per cent of my prize-money to help out, but where do you start? I'm going to look at starting a foundation that I can put in a couple of million [dollars] and that can only go to charity... it will be a small way of feeling like I'm giving something back."

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O'Reilly mourned by Bradman

By Geoffrey Wheeler

SIR Donald Bradman yesterday led the tributes to Bill "Tiger" O'Reilly, one of the greatest spin bowlers the game has known, following his death in a Sydney hospital at the age of 86.

"I am very sorry indeed to hear of the passing of my old friend and colleague," Bradman said. "He was the greatest bowler I ever faced or saw and in my opinion certainly the best bowler Australia ever produced."

In his autobiography, *Farwell to Cricket*, Bradman wrote: "How many times in my life have I been asked: 'Who is the greatest bowler you have ever played against?' My answer has invariably been O'Reilly. Of all the first-class batsmen I know who played against him in his prime, not one disagrees with this view."

O'Reilly, who was 6ft 3in, was a big man in every sense of the word. He played Test cricket between 1931 and 1946 and bowled his leg

breaks and googlies at such a pace that it was almost impossible to get down the pitch to him.

In 27 Tests he took 144 wickets at an average of 22.59, including three hauls of ten wickets in a match. His 203 wickets for New South Wales in 33 Sheffield Shield matches cost 17.10 apiece.

Another former Australian captain, Richie Benaud, 62, recalled watching O'Reilly for

the first time at the age of nine. He said O'Reilly's attitude to batsmen was simple: "He hated them and it was that which earned him his nickname."

Harold Larwood, 87, the England fast bowler who played against O'Reilly in the Bodyline series of 1932-3, described him as "the best medium-pace spin bowler there ever was". He recalled how he fell victim to the last

ball of the first over he faced from O'Reilly. "It came so fast I didn't even see it," Larwood said.

O'Reilly's duels with Walter Hammond were a feature of Anglo-Australian Tests of the 1930s and he also matched wits with such great players as Sutcliffe, Hutton and Compton. Apart from the Bodyline series, he toured England in 1934 and 1938 and played in the Ashes series in Australia in 1936-7.

On his retirement from cricket, O'Reilly turned to journalism and won many new admirers with his trenchant comments in the *Sydney Morning Herald*. He was a passionate opponent of many aspects of the modern game and despaired at the declining influence of spin bowlers.

He had no time for one-day cricket or matches under floodlights, which he called "pyjama cricket". O'Reilly was made an OBE in 1971 and in 1988 a grandstand at the Sydney Cricket Ground was named after him.

TCCB finds that Stemp took drug 'unwittingly'

CRICKET'S first drugs case ended in a typical fog of obfuscation yesterday (Peter Ball writes). After a three-hour meeting at Edgbaston, the Test and County Cricket Board (TCCB) disciplinary committee found that Richard Stemp, the Worcestershire spin bowler, had taken amphetamine, but unwittingly. No action is being taken.

Stemp had been selected at random for a test on the Saturday of Worcestershire's game with Middlesex at Uxbridge in July. His sample was found to contain a quantity of amphetamine.

"The committee heard evidence from Richard Stemp and from Worcestershire and is satisfied that he had not knowingly taken amphetamines, and that they had been administered to him without his knowledge and without his approval and authority," the TCCB statement said. Beyond that they would not go.

The TCCB, however, emphasised its determination to maintain its strong stand

on drugs. Stemp, who was accompanied by the Professional Cricketers' Association (PCA) lawyer, Lawrie Dorfman, and the Worcestershire secretary, Michael Vockins, had been instructed to say nothing, and the chairman of the disciplinary committee, Peter Bromage, of Warwickshire, also refused to comment.

The meeting also discussed the year's disciplinary proceedings, with the effectiveness of fines for ball-tampering being questioned. The players' representative, David Graveney, reported some disquiet from his members that £1,000 levied on Surrey was meaningless.

The PCA is also asking the TCCB cricket committee to consider changes. Ball-tampering is at the forefront, with a suggestion that umpires should examine the ball regularly. The PCA also suggested the abolition of the one bouncer per over rule and asked how players can be registered as domestic players in two countries simultaneously.



Smiling Tiger: O'Reilly, a cricketing legend

Obituary, page 15

Spliced out of screen history

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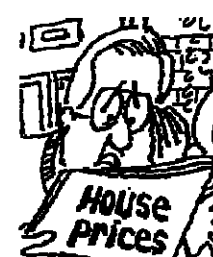
WOMEN p5
The mother
who has taken
Italy to the
streets

LIFE & TIMES

WEDNESDAY OCTOBER 7 1992

PROPERTY p7

Will prices
ever rise
again? And if
so, when?



And
back
play
Was

Spliced out of screen history

A search is on for
thousands of feet
of missing
British films

The National Film Archive, which has spent the best part of 60 years saving Britain's film heritage, has just published an attractive, if melancholy, pictorial album about the ones that got away. The declared object of the book, *Missing Believed Lost - The Great British Film Search*, is to alert anyone with a clue to the whereabouts of the lost legion of British films.

"The National Film Archive needs all the help and good fortune it can get in its endeavours to trace the untraceable," declares J. Paul Getty Jr in his preface to the book. Mr Getty himself has been the archive's major source of help and good fortune for the past decade or so. His unpublished benefactions to the archive and the Museum of the Moving Image are conservatively reckoned at about £20 million.

The 100 films in *Missing Believed Lost* represent only the tip of the iceberg of lost films. Vanished British titles alone run into hundreds of thousands. No medium has ever been more vulnerable to



Lost work: David Lean was on many early credits

destruction, decay and neglect. Films were not only expensive to keep but actually dangerous. The nitrate base on which they were printed until the 1950s was inflammable and chemical changes could suddenly turn it into high explosive.

Even after the film archives began to rescue films, the rate of destruction remained high. Griffith and Eisenstein took precedence over the humbler films that enchanted people, week after week, in their local fleapits.

These orphans of the Odeons are the films particularly mourned by *Missing Believed Lost*. There are a few classics of course - George Pearson's 1916 thriller *Ultus*; an Expressionist version of Henry Irving's one-time warhorse, *The Bells*; Ivor Novello in *The Constant Nymph*; a 1926 Hitchcock thriller, *The Mountain Eagle*.

However, most are "quota quickies", cheap films churned out in the 1930s to take advantage of regulations imposing a minimum quota of British films in cinemas.

These films tended to be made by Hollywood veterans washed up in London, or British youngsters seizing their first chance to direct. Among them was the now-venerable Michael Powell, 12 of whose early films are apparently lost for ever. The names of other important film makers of the future often appeared on the credits - David Lean as editor, for example.

The catalogue could be extended endlessly. *Missing Believed Lost* does not, for example, mention one of the most glaring gaps in our cinema history - the disappearance of all evidence of Britain's first woman director, Dinah Shore. In the late 1920s she made a number of features, from which not a single shot appears to survive. Nor is there any trace of what became of Miss Shore.

Our knowledge of our film heritage is in fact far outweighed by what has been lost and forgotten in less than a century.

DAVID ROBINSON

Our blessed Lady of the Ism

A revealing analysis of Thatcherism is published as the Tories meet in Brighton. Colin Welch reports

Lady Thatcher does not need to speak at the Tory conference to dominate proceedings, to be the Brighton Belle. She just has to turn up, to be there, like the stone guest, physical proof of her continuing vitality, a reminder to the Tory faithful of past triumphs, hopes and glories.

Since she was so rudely interrupted, what has occurred to efface from Tory minds her memory? Precious little. Her warnings have apparently been vindicated. Lesser persons now struggle in vain against exactly what she warned against, against what she alone might have resisted with handbag and cries of no, no, no. Fears of a federal, socialist, centralised and bureaucratic Europe fester in Tory minds. Oh for a Maggie they cry, to save us from it or at least to cap it, sit on its head and reduce it, like the loony left, to a benign impotence.

The sins which supposedly caused her downfall are pretty well forgotten. The poll tax, for instance. It was unfair, people screamed. Perhaps it was meant to be, to hurt, to bring local voters back to their senses. By now, it might well have done so. If it hurt too much, it could have been cut by her just as by her successors: little injustices are less resented. As if to render it in retrospect even more acceptable, the Son of Poll Tax now shambles to Westminster to be born.

Lady Thatcher's mistakes endure, if at all, to bedevil not her but her huckless successors, leaving her radiant and them mired.

Above all, Lady T appears at Brighton tomorrow as the sole possessor of an "ism" of her own - Thatcherism. Perhaps we can envisage "isms" for other recent British leaders - Callaghanism, Wilsonism, Heathism. But somehow the words have not caught on - perhaps because those to be thus honoured were obviously not in command of events. Their "isms" were thus rudely blown away. Lady T's, by contrast, if buffeted and awry, effulgently crowns her still. No need for her to speak, unless for cash. Her "ism" speaks for her.

What does it say? What is Thatcherism? A timely but scholarly book by Shirley Robin Letwin tells us all.

The existence and use of the word, like *Callaghanism*, offers a clue. It surely denotes, not some great vaulting theory, pre-existing or supposedly emerging from the facts, all explaining and all mastering. It stands rather for the attitude and reactions of some particular (important) person in some particular place at a particular point in history.

What is Thatcherism about? Ask 100 members of the chattering classes and you will probably get more than 100 answers, some



Still haunting the Tories: Lady Thatcher is a reminder to the party faithful of past triumphs and hopes, while her failings are forgotten

contradictory and few complimentary. A few at random, noted by Dr Letwin: greed sanctified; economics exalted over all; *laissez-faire* let loose; the rich richer, the poor poorer; help denied to the helpless; hard-hearted callousness; more or less centralisation; hypocrisy; impious misuse of the scriptures; moral

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All this and much more has been alleged for or against Lady Thatcher and her "ism". I could go on Dr Letwin does, meticulously and sensitively she picks her way through all this chattering detritus, noting, classifying, polishing and preserving whatever is true or part-true or suggestive, discarding whatever is false, and fully explaining why she does so. Note, for instance, what she says about Thatcherism and tradition, which Lady Thatcher has been accused of brushing aside. Now many of the sacred cows like trade unions and the CBI, local authorities and the BBC which she kicked around or ignored or refused to listen to are seen here as novel growths and, even where richly corrupt, perverted or ossified,

A few more monopolies favoured, provided they are private; disrespect for hallowed traditions; the blasphemous introduction of commercial disciplines into non-commercial sacred places like universities, the health service and

education, of money changers into the temple; technology vainly over-valued; an arrogant and disputatious insularity; cheap and strident patriotism (the late Peter Jenkins called her "the tin Lady").

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far from traditional. The older British tradition of the historian F.W. Maitland would have scorned all such interests and pressure groups as over-mighty subjects, to whom it would be constitutionally improper to defer.

Lady Thatcher was often not breaking with an old tradition but reverting to a still older one. Tory collectivism, "the middle way", against which she revolted, for instance, was a weed of recent growth, imported according to Dr Letwin from the Continent, neither native nor venerable.

It is fascinating to watch her at work like a skilled and careful surgeon with the most refined and delicate instruments. Never does she sink to polemic or abuse, not even where I, for one, would have welcomed it. For instance, she quotes Tony Crosland as "determined to destroy every grammar school in the land". Before "grammar school" an expletive, I fancy, has been deleted. If so, Dr Letwin is too scrupulous to restore it, though it did confer on Crosland's determination a peculiarly macabre heartlessness.

Her definitions and distinctions are wonderfully nice and precise, often arresting, demanding thought before being accepted. Her book cannot have been easy to

create. It cannot be read with the brain in neutral. It will, none the less, be indispensable to all who seek to understand our recent history, which Thatcherism shaped.

Warmly sympathetic to Lady Thatcher, Dr Letwin is by no means uncritical, especially about education, her own field. As if to illustrate Robert Conquest's dictum that everyone is (most) conservative about what he or she knows (most) about, her tone rises as she denounces the Thatcher government for adopting here "policies most blatantly at odds with its fundamental commitments".

What does Dr Letwin conceive these fundamental commitments to be? One by one, like Beethoven in the last movement of the Choral, testing and rejecting theme after theme from previous movements.

deemed politically possible, by reversing the irreversible, by noting the supposedly inevitable dreary trend towards Marxism and sharply barking at it: "Inevitable! Inevitable about TURN!"

Dr Letwin, even at this gloomy moment, believes or hopes that Lady Thatcher's achievements are in their turn irreversible. We shall see. Our present miseries, to be sure, are not caused by any failure of Thatcherism - a failure of Lawsonism, perhaps, though the great original Lawsonist hotly disagrees. Yet, presumably, if a decade can change the character of a nation for the better, another decade could change it for the worse. As Lady Thatcher has shown, nothing is inevitable or irreversible - no, not even herself.

The analysis of Thatcherism, by Shirley Robin Letwin (Fontana, £6.95)

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Stand by everybody, here comes the judge

The analogy may not ring bells with everybody else, but the two intensive weeks I just spent at the Priditalia in Parma reminded me rather forcibly of *First Term at Mallory Towers*. Not that we were expected to take part in lacrosse trials or anything like that (it's an international radio and television competition, not really a girls' boarding school at all). But in other respects it was eerily similar. You turned up on your first day all bewildered and overwhelmed, wondering how you would ever learn your way around, or understand anything, or make friends; and before long you were planning midnight feasts, vowing lifelong pledges of friendship, nominating the class buffoon, and showing new bugs the short-cut to the lavs.

This was all rather a shock to someone who, in normal circumstances, reels from the excitement of a visit from Datapost. It was like a different space-time continuum. True, I carried pictures of the cats at all times, but there was little opportunity for homesickness, or indeed sentiment of any kind. Up with the Parman larks for the official bus to the palazzo! Watch TV! Eat lunch! Drink fizzy wine! Watch more TV! Get a bus back! Out to a reception with speeches in Italian, broadcast on live television! Eat dinner! Drink fizzy wine! Do prep! And all the time, talk, talk, talk, talk, talk.

What a whirl. Naturally I shed a few tears on my weary pillow at night - "Oh Mummy, Mummy, why did you send me to Mallory Towers?" - but usually fell asleep

SINGLE LIFE: Lynne Truss on having just that little bit too much done for her



half-way through the second Mummy. One day, in the queue for the free lunch, I confided to a very nice fatherly man (from Denmark) that I had actually brought some kitty-snaps with me to the Priditalia (no ho).

He paused for a moment, and then said "Really," in a deep foreign voice and a level tone. "Oh yes," I said, "I'll show you if you like!" At which he gave me a funny up-and-down look, but otherwise made no comment. Perhaps kitty-snaps means something suggestive in Danish.

I have never had my hand held so firmly as at the Priditalia. For two weeks, one could rely on outside forces to plan and execute one's every move. Leave your worries on the doorstep, they said; glamorous young women in pink uniforms have been elected to do all the worrying on your behalf. And it was true. Every time we looked round, we could see a little cluster of gape-faced women in pink suits winging their lovely hands in a state of total dismay (something about bus-times, usually). "Oh look, more worried pinkies," we would say to one another callously, and laugh.

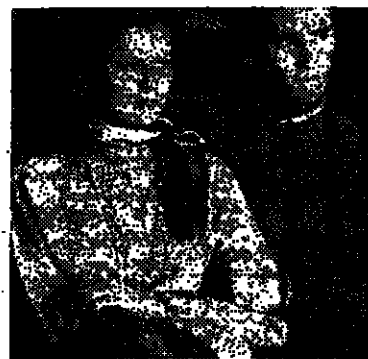
But the danger, oh the danger. Take a normally solitary anxious

person to an event such as this, and she will have to be dragged away, trailing her hair in the dust, intoning the school song and clanking her lacrosse stick with a fierce unearthly grip. Nobody warned me that it was possible to be

come institutionalised in a fortnight, but it is. One day, in an effort to push some blood back into the decision-making portion of the brain, I took a morning off from the streetings, and struck out independently towards the *duomo*, purchasing a guidebook *en route*. But could I really behave like an autonomous person any more? Well, could I *frizzante*, quite honestly.

I did well at first. Nobody offered me a free drink or a courtesy bus, yet I walked several hundred yards in the right direction. Suffused with the giddy spirit of independence, I sat on the steps of the *duomo* reading my guidebook, and deliberately paid no attention to the little group of tourists ushered inside. Only when I started examining the ceiling, mystified, did I discover that by a happy chance this unknown group was in fact an official (free) Priditalia excursion, which would shortly culminate in lunch. At which point I gave in.

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Deep breath for Kent's own opera

In Ashford, Kent, the coming of the Channel tunnel link has inspired the community to help write and perform a new opera. Richard Morrison reports

Jonathan Dove could never be accused of shirking the big challenge. This is the young composer who condensed Wagner's *Ring* to half its length and a quarter of its orchestration. The result, a brilliant *Reader's Digest* version in two evenings, was taken on the road by City of Birmingham Touring Opera, refreshing the parts that other Wagner cannot reach. He is also the man who set Hastings singing. Two years ago some 200 citizens of the Sussex town performed his community opera, *Hastings Spring*, on the pier.

Between these projects he does quite normal, composerly things, writing music for films and theatre. But now he has embarked on another colossal project. Last January, Glyndebourne's education department (which was behind the Hastings opera) dumped him and a writer, Alistair Campbell, in the town of Ashford, Kent. They had no storylines, no pre-existing musical ideas and no glimmer of the forces available. By next March, they will have helped Ashford create the opera that the town never knew it could create. An opera with an Ashford theme, involving every local organisation that wants to contribute.

So far these include seven schools, a technical college, seven instrumental ensembles from the Kent Music School, a youth jazz orchestra, a local heavy-metal band, two ladies' choirs, a brass band, the Ashford Choral Society and of course the Ashford Accordion Club. "Luckily I play the accordion myself," says Dove. So that part, at least, will be a doddle.

Writing operas for amateurs is not a new idea. It has appealed especially to composers with strong social ideals: Britten, Copland, Henze, Maxwell Davies. But they created community opera only in the sense

that the community was allowed to perform. There was no question of the composer relinquishing control of the creative process.

That is where Dove — and others working in the "outreach" departments of opera companies — are breaking new ground. When Ashford's opera is complete, Dove and Campbell will certainly have nurtured it into life. But many basic ideas, musical and narrative, will have come from townspeople. "That seems only fair," says Dove. "Otherwise I would simply be turning up out of nowhere and saying 'sing this!' — in effect, using the town as an enormous, ready-made cast. A megalomaniac's dream."

How does an opera get written by a committee of several hundred amateurs? It sounds like a definition

'Most people's heads are full of music, if only you can find a way to focus and release it'

of musical purgatory. Dove and Campbell began holding workshops last January. First they wanted storylines.

"We used workshop techniques common in community drama to tap into local concerns," says Dove. "Two topics were conspicuous: the Channel tunnel and the railways."

Ashford has always been a railway town, and soon it will be a main junction for tunnel trains.

"For some in Ashford, this represents opportunity; for others, it means leaving homes which are being demolished. Equally, our feelings about belonging to Europe are in turmoil. So our scenario is not a clear-cut, golden vision of the future. But neither is it a simplistic 'progress had versus ecology good' story. We felt we had to honour the complexity of local feelings."

At the same time, Dove and Campbell asked for ideas from the historical "mythology" of Ashford. Somebody recalled the 15th century Slane twins, joined at the hip and shoulder, who survived into their thirties and performed legendary



No boring please: Ashford's community opera composer Jonathan Dove beside some of the machinery used in the Channel Tunnel

charitable acts. Then there was the "Holy Maid of Kent", an epileptic who had visions, denounced Henry VIII, and was executed at Tyburn. There were stories of Ashford during the Plague, with victims' relatives being incarcerated in boarded-up houses, and stories of the Blitz: a school being evacuated, and a train being blown up.

Somehow the collaborators hammered this motley bunch of folk memories into a dramatic shape. On the one hand the story is about the opening in December 1993 of the tunnel (Eurotunnel) is one of the opera's sponsors, and a plot by a group of disgruntled townsfolk to disrupt the opening pageant by lying on the track in front of the first train from France.

On the other hand, it concerns an adolescent girl, Beth, who lives in a house marked for demolition, its walls cracked by decades of railway

vibration. She has strange dreams of a historical "twin" calling for help as she is burnt for witchcraft, or boarded up in a plague house, or caught in a bombed school during the Blitz. Then the crack in the wall of Beth's house opens up: she walks through, and finds herself in the Channel tunnel. The continual rumbles could be approaching trains — or dragons, deep underground, representing the hidden fears of her and the community. "We are not talking social realism here," says Dove.

While the plot was being assembled, Dove began music workshops. People's heads are full of music, if only you can focus and release it," he says. Bits of the text were introduced, and individuals came up with ways of singing them. "My job was to keep my ears

open," says Dove. "I would not have thought of setting any of the songs in the ways that came about through the workshops. In fact if I tried to tamper with a tune, the freshness was lost."

The workshops finished in July. "By then I felt a terrific buzz," says Dove. "The point of these community operas is to release latent creativity, and to bring together local forces that might then work together again. We are already talking about 300 singers. I've been egging on Alistair to think of as many crowd scenes as possible."

Now Dove has an autumn of hard orchestration ahead. He must tailor all this raw material for a bizarre musical conglomeration that has never been assembled before and probably never will again. "One challenge is to write music that's exciting to perform and hear but not too difficult to play. Before I write a

7/8 bar, for instance, I shall certainly think hard about what it will cost in rehearsal time."

While Dove labours at his gigantic score, a Glyndebourne production team will create a design to transform the cavernous Stour Leisure Centre into an operatic venue. Then in January rehearsals begin: weekends first, then every evening for six weeks. Dove envisages several different stages placed around the hall, each with its own instrumental ensemble and conductor.

Rehearsals will clearly be a logistical maelstrom. But there is always room for more performers. "In Hastings," recalls Dove, "a yodeling harmonica player arrived quite late on, and I was thrilled to discover a scene in which that was exactly what we wanted."

During the coming months The Times will be reporting on the progress of the Ashford community opera.

ARTS BRIEF

Cage's legacy

ONE of John Cage's last works is about to receive its British premiere. *Europea 5*, completed last year, is a typically zany concoction: the last in a series of works looking at European grand opera from an American perspective, and mixing live arias, ancient recordings on crackly 78rpm records, as well as a computerised light show. At least the audience will not be looking at their watches: Cage's work lasts precisely one hour, and a clock displayed on television monitors ticks away every magic second. The performance, by the Cambridge New Music Players, is in Blackheath Concert Hall on Friday at 8pm.

All's Wells

A NOTABLE theatrical figure has jumped ships. John Caird is to make his National Theatre directing debut with *Pinocchio*, starring Robin Bailey, Michael Bryant and Helen Macgregor. It is scheduled to open at the Olivier in February.

But Caird, formerly an associate director of the Royal Shakespeare Company, has also been active in his erstwhile workplace. Even though his production of Richard Nelson's *Columbus* closed early at the Barbican Theatre, his *Beggar's Opera* is doing well at the Swan and he is rehearsing *Antony and Cleopatra* for the main Stratford house. Meanwhile, a competing West End production of



John Caird: first time directing at the National

Trelawny will provide another debut next year. Sarah Brightman in her first non-musical acting appearance on stage.

Last chance...

WYNDHAM LEWIS was an aggressive sort at the best of times, and it is difficult to escape the thought that the first world war suited him down to the ground, enabling him to see all the principles he had been propounding for the previous decade put into practice. His images of the war at the Imperial War Museum (071-416 5000) refuse to see the poetry in the pity, and represent instead anti-like humanity doing what its nature requires it to do. Unpleasant, but horribly impressive. Until Sunday.

GALLERIES: John Russell Taylor on the Polish sculptor Igor Mitoraj

Meet an elusive master

In Britain, he first showing of Igor Mitoraj's work was in a mixed show at the Yorkshire Sculpture Park four years ago, so it is fitting that the YSP should now be hosting his first one-man exhibition here. Or co-hosting, to be more precise, since he also has simultaneously an important loan showing of more indoor-sized work in London at the Accademia Italiana, and further pieces on view at the Berkeley Square Gallery and on the Economist Plaza.

Pretty good going, one might think, for a relatively unknown artist. But this is where British insularity shows itself all too clearly. Virtually everywhere else in the world, Mitoraj is a towering figure in contemporary sculpture, with major museum exhibitions and important commissions prominently in position in places as diverse as Paris, Tokyo, Rome, Atlanta and Milan. He is at first glance easy to categorise: terms like "Post-Modernist" and "Neo-Classical" spring to mind. On reflection, he is not simple to pin down at all.

Partly this must come from his eccentric background. He is Polish, born in 1944, and studied at the Crauw Academy under Tadeusz Kantor. But strictly as a painter. In 1968, during the East European turmoil occasioned by the Prague Spring and its suppression, he escaped to Paris, and there spent some time scraping a living any way he could, waiting on tables and such before he found



Classical grace, formal mastery and wonderful patina: *Centurione I* is a 1987 bronze by Igor Mitoraj

work as a commercial artist. In the early Seventies, after an extended trip to Mexico, he quite unaccountably began to sculpt. He himself thinks that some of the oddities in his sculpture must come from his having had no formal training. But how to explain his amazing formal mastery of his medium, whether modelled or carved? Apart from a classic use of assistants on the more gigantic pieces, he does it all himself.

It is this formal mastery that at first leads one astray. The Carrara marble pieces are as

immaculate as Canova in their icy precision. It is clear from the virtuosity with which the typical swappings of bandages on faces and figures are carved that Mitoraj has nothing to learn in that department. And for truly classical grace in the depiction of ideal male and female nudes he has few equals. The bronzes are wonderfully patinated, and sometimes look as if they come from long-submerged treasure cargoes.

At first sight, that is. But then something very peculiar begins to emerge. The swappings are distinctly strange in their effect. It is as if a matter of resonance, maybe of torture and imprisonment, of mummies in their tombs, even of the cinematic *Invisible Man*, whose bandages gave form to the void within. And then, the pure ideal figures prove on closer inspection to carry strange wounds. They may have tiny faces or feet growing in the most unlikely places. Sometimes they are pierced by transverse shafts, which might enable light to pass through, or could indicate the passage of a particularly hefty spear.

Always, beneath the evidence of sober studies in the classics, a clearly modern sensibility is at work. Though he denies any conscious political intent, he was born under one totalitarian regime and brought up under another. He chooses to give his sculptures uncoloured titles such as *Eternity*, *Initiation*, *Hands or Feet*; if he had called them instead *Unknown Political Prisoner* or *Trebilnicka*, they would instantly be understood in a very different way.

But then, Mitoraj is a 20th-century Pole, not an antique Roman. Polish culture has long thrived on indirection. Polish literature has its own nonsense tradition; Dada and Surrealism, with their wilful dislocation of our responses, thrived in Poland and continue to be deeply ingrained in popular culture.

Some of Mitoraj's favourite images, such as the bound torsos and the angels in the process of losing their wings, have unmistakable parallels in the sinister and subversive animated films of Lenora and Boroway. And like their films, his sculptures can be wickedly and blackly funny too.

As the variety of venues for these shows suggests, Mitoraj can work in any size from the minute to the monumental. Henry Moore said, early on, that every sculpture has its own right size and no other. Lately he failed to practise what he preached. Mitoraj follows Moore's first insight to the letter: a change of scale always involves a rethinking of the whole concept.

Post-Modernism engenders mistrust because it often seems to let artists get away with arranging and rearranging the basic counters of classical style without penetrating deeper into the nature of life or of art. In Mitoraj it is one further stratagem for creating existential unease. Only the greatest sculptors can so reliably make these dry bones live.

Sculptures 1992, Accademia Italiana, 24 Rutland Gate, SW7 0RT-225 3474 Mon-Sat 10am-5.30pm (Wed to 8pm), Sun 2-5.30pm, until Nov 22. Admission £3, concessions £1.50. Carvings and Bronzes, Yorkshire Sculpture Park, Bretton Hall, West Bretton, Wakefield, West Yorks (0924 830579) Daily 10am-6pm, until March 31. Berkeley Square Gallery, 23a Bruton Street, W1 (071-493 7839) Mon-Fri 10am-6pm, Sat 10am-4pm, until Oct 14. Three Sculptures, Economist Plaza, St James's Street, SW1, until December.

TELEVISION REVIEW

The hero and the coward are two sides of the same coin

Battlecries
BBC 2

Television is understandably comfortable with war as a programme source, there being a million anecdotes on the subject and a million miles of footage with which to underlay them. The audience appears to be equally comfortable, having seen, in this century, war and media technology march forward as handmaidens, from crude and delayed newsreel film out of the 1914-18 conflict to ash-haven videotape in the Gulf.

Perhaps the central attraction of war as entertainment is its perceived moral simplicity. The good guys versus the bad guys. This gives all of us a role. Within a day of the Gulf war starting, people in pubs were talking about us and them: "We've got them over a barrel." But in all war since time began, most of us have not faced most of them. We send our proxies, make heroes of those who return and of those who do not.

But heroism was never so simple, nor was cowardice. *Battlecries* began a four-part series last night with *Heroes and Cowards*, an interesting if not conclusive exposition of the drive which sends men forward into certain danger and of the moments when this drive is, usually inexplicably, simply turned off.

Cases were cited from the first world war, and the second, and the Falklands and Northern Ireland. Of the ones from which some conclusion could be drawn, a world war two bomb-aimer who simply froze, "went into limbo", soon after take off one night was the most interesting. He had bottled up the fear thus far but suddenly it seized him. The bomber had to turn back and the bomb-aimer was whisked off to hospital, cut off from his mates.

His choices were stark. He could either go back (if the crew would have him), or be taken off active service as an "LMF casualty". Lacking Moral Fibre. To say that a man who is afraid of dying in a war that claimed the lives of half the men who flew for Bomber Command lacks moral fibre is a curiously ruthless and scarcely exact smear, but this target of it chose to go back.

A few weeks later, his aircraft caught fire soon after taking off and crashed. The man so recently lacking moral fibre got out but went back into the blazing wreckage to rescue the engineer. Thus he became a hero, a couple of weeks after the branding iron

drop bombs on nameless Germans was more elusive than that needed to rescue a person one knew by name.

Nor was intelligence examined. The ill-educated have always been the cannon fodder of war because they can be relied upon not to think too deeply. The military does not encourage thinking, which is its strength and its weakness.

PETER BARNARD

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Mother's boy, cannibal or the last of the libertines?



Austere look: Robert Wilson has a fresh interpretation

What does one of the leading avant-garde theatre directors and designers — the 50-year-old Texan, Robert Wilson — have in common with the poet and literary director of Spain's National Theatre, Vicente Molina? What, indeed, does he have in common with Spain?

Very little is the answer. But the cultural cocktail has produced a new version of the Don Juan story. *Don Juan Ultimo* (The Last Don Juan) had its world premiere in Madrid's Maria Guerrero Theatre last week. It was billed as one of the highlights of Madrid's autumn festival (in this city's last three months as Europe's Cultural Capital), and is expected to tour Italy and then France.

Avant-garde director Robert Wilson has reinterpreted *Don Juan* in Spain

The new Don Juan comes four and a half centuries after the first dramatised version, written in 1643 by the Spanish monk Tirso de Molina. Since then, there has been a long list of editions. In fact, one reason why Molina says he asked Wilson to direct the play is because he believed that Wilson — who produces austere, abstract and formalistic plays — would strip the personality of Don Juan clean of all its previous historical and psychological interpretations, and so produce something new. But does the new play work?

Wilson says the interest for him in doing *Don Juan* stemmed from the fact that

like other characters he has treated on stage, such as Queen Victoria, Stalin and Einstein, Don Juan is widely known. "He is a part of all of us, men and women, and ingrained in our mythical consciousness," Wilson says. As a result "we all come to the theatre sharing a common knowledge of Don Juan". Which is just as well, as the Texan's play is not interpretative or narrative. It simply raises questions about the character, leaving it to the audience to draw conclusions.

Adding to the ambiguity, Wilson believes that the visual part of the play, or what he calls "the visual book" — consisting of the way the

actors and actresses are distributed on the stage, their movements, and lighting and colour effects — should convey stage "pictures" that have a life of their own, and which are independent of the text. The approach does not come off. Some of the tableaux, precisely because they are so disconnected, are slow, tedious and confusing.

Molina's text, written in Spanish and in free verse, is also open-ended, and has some original ideas. One is that Don Juan is a mother's boy, succoured on sweets, and

life — child-like, vindictive, lustful, guilt-ridden. This idea is illustrated on the stage by doubles. Meanwhile, a film projection in the play shows a man in the jungle who takes the idea of possessing women to a ghastly, imaginary conclusion: cannibalism. What these ideas add to our knowledge of Don Juan is far from clear. For instance, what do the doubles suggest? That Don Juan has a split personality, or that he is driven to seduce women to satisfy a desire as a collector? The text provides no answers. Wilson admits that there was a cultural clash during the rehearsals. In his plays which he says have a lot in

common with 14th century Japanese theatre — the movements of the actors are very controlled and their voices have to be calm. "This is to give the audience an experience that is both internal and reflective, and exterior," Wilson says. However, in the Spanish character emotions tend to be on the surface. Learning Wilson's formal techniques therefore must have gone against the grain for most of the actors, though this was not apparent from the finished performance, which was of a high standard. Indeed, at the end of the premiere the audience applauded the actors much more than either Wilson or Molina, who were jeered.

JANE MONAHAN

Has royal crusade become a cult?



Prize design: town houses in the Rue de Laeken in Brussels, each designed by a young architect and co-ordinated under one guiding hand into the row which will be finished by the summer of 1993

Is the Prince of Wales's architectural platform being hijacked by extremists? By a clique intent on promoting a narrower version of his ideas to their own ends?

The prince himself, opening the exhibition *A Vision of Europe* in Bologna last week, felt it necessary to issue some coded words of caution: "I am told this exhibition is based on the principles in my book, *A Vision of Britain*, and if this is so, I am delighted." The prince's vision is essentially a humane one. His proposed village at Poundbury and other Duchy of Cornwall projects are intended to provide affordable housing for local people, with opportunities to work near their homes. This is in danger of being subsumed in a war of styles in which classical solutions are presented as the only acceptable ones.

The most extreme position is taken by the always incisive David Watkin, in the Bologna catalogue. "I would like to find a classical airport terminal... where the seats will be Klismos chairs and the signs will be written in Trajan lettering." Faintly absurd perhaps, but a wish that is likely to be fulfilled if airports follow the pattern of 1970s hotels which have filled their foyers with Georgian panelling.

There are signs of a crusade becoming a cult. Leon Krier, the brilliant philosopher-architect who fires much of the prince's thinking

Anything goes... as long as it's classical. Marcus Binney suggests that the Prince of Wales's ideas are being misrepresented in Italy by extremists

on cities, slips a little too easily into the mould of high priest, not least because of his habit, always a white silk cravat. Look closely at the seductive painting of Krier's imaginary classical city of Atlantis on Tenerife, and there, presiding at the opening ceremony are the King and Queen of Spain.

Liam O'Connor, joint organiser of the exhibition, says its aim is "to show that the prince's ideas on traditional urbanism find an enthusiastic echo all over Europe". So it is disconcerting to discover that the first exhibit is a model of Port Grimaud in the south of France, surely one of the most exclusive developments in Europe. The thrill of Port Grimaud comes as much from the forest of high masted yachts as the Venetian architecture. It is hardly a model for inner city revival. The same can be said of the new town of Kemer, Istanbul, by Andres Duany and Elizabeth Plater-Zyberk, creators of the classical resort of Seaside in Florida. They make clever use of traditional Turkish motifs such as overhanging roofs and loggias, but the town is a high security "gated" development with houses selling for about \$500,000 (£290,000).

The exhibition is the more inter-

esting because it provokes. Inevitably, on so ambitious a project, the material is of varied nature. But it is also of very varied quality. For example, Demetri Porphyrios's superb new quad for Magdalen College, Oxford, is exhibited with a car-lined newly-paved square in Battersea, in the London borough of Wandsworth,

where one exasperated shopkeeper closed down saying: "I can survive recession, high interest rates, Mr Major, but not Wandsworth paving schemes."

A project for a new town at Ixate in Spain commits the worst excesses of modernist development in its disregard for a rolling pastoral landscape. It is set on an artificial platform, half out into the hillside, half supported on a hideous retaining wall. A masterplan for the new centre of Zola Predosa in Italy has cliff-like flats of Ceasus proportions, while "social housing" by Charles van den Hove in Brussels and Amsterdam has clumsy man-

sards and silly "clip on" gables. Britain, and no doubt Holland too, could have provided far more attractive schemes, such as those by Levitt Bernstein and Pollard Thomas Edwards have recently devised for housing associations.

Happily the exhibition also presents many good schemes begging

to be built. In Toulouse, Philippe Giscard has drawn up a masterly scheme for boxing in a grotesque multi-storey car park with streets of traditional apartments. In Stockholm, Harvor Arndt ingeniously surrounds an Edwardian sanatorium with traditional streets and avenues.

Most brilliant of all is the proposal by the German Helmut Rudolf Peuker for healing the gash which Mussolini opened up through the streets in front of St Peter's in Rome. Peuker would fill the centre of Il Duce's windblown boulevard with a gallery of shops

and restaurants. Was it commercially viable, I asked Geoffrey Wilson, the promoter of the Paternoster scheme north of St Paul's, which has pride of place in the exhibition? "You're out of date. That's not the test anymore. It's what people think is commercially viable when they begin," he replied artfully.

Among completed projects the French and the Spanish make the strongest showing. At Rochefort, Louis XIV's naval base south of La Rochelle, the architect Bruno Coussy has produced streets of new housing which every planner in Europe should see. Forgetting the goldfish bowl street lamps, here is simple, brightly painted vernacular, given character by constantly varied windows, shutters and doors, with the cornice line changing subtly from house to house.

The badge of courage goes to Ernst Schirmacher for his reconstruction of a row of large traditional gabled houses on Frankfurt's Römerberg Square. "It was done against the strong recommendations of the architectural jury," the catalogue says. "Long before the buildings were completed they met with universal condemnation from the architectural press but were broadly welcomed by people of all

The exhibition is the more interesting because it provokes

ages, professions and stations."

Spain produces good examples of liberal classicism in a columned, paneled community hall at Muskiz, and a spectacular crescent of new apartments at Olot, by Ramon Fortet, fronted by a majestic sweep of paired columns. This is let down, alas, by the metal windows behind the colonnade which have all too visible blank panels between the storeys.

The best single role model is a scheme in the Rue de Laeken in Brussels where the AG insurance company held a competition for young architects (under 40) to design a town house which was co-ordinated into a row under one guiding hand. Nothing is overworked or overstated, detailing is crisp and windows, shop fronts and cornice lines constantly varied from house to house.

This is welcome if only because in the exhibition as a whole the classicists are showing a tendency to become as fixated with the work of Boullée, Ledoux and Schinkel as modernists have ever been with Le Corbusier, Mies van der Rohe and Frank Lloyd Wright, or Foster, Rogers and Stirling. There is little prospect that the exhibition will travel but it is accompanied by a handsome catalogue published by Alinea Editrice di Firenze.

● *A Vision of Europe* is on show at S. Giorgio in Poggiale, Via Nazario Sauro, Bologna, until November 1.

Mozart's music in lost palaces

The Villa Pisani at Bagnolo di Lonigo, near Vicenza, hardly tops anybody's list of Palladio villas to be seen. It is an early work by the 16th century Italian architect, quite humble and rustic. Apparently he had to incorporate some remains of a ruined castle on the riverside site, and was not satisfied with the result, having an unused variant of the design engraved for his collected works. Moreover, the house is now separated from the river by raised flood defences and a newer boundary wall, so that the entrance facade is hemmed in and the only approach is from the landward side towards the back entrance.

All the same, it is a fascinating building, not least because it has never been open to the public. It has remained in the Pisani family from the time it was built (in stages between 1542 and 1569) up to its present owner, the Marchesa Lepri. The house was semi-derelict before the long process of restoration began about ten years ago, financed by the Venezia Congress (a government heritage fund) and the family, and all carried out according to the methods of building and finishing used in Palladio's day.

Now that restoration is complete, the villa seemed the perfect candidate for the second occasion in the United Nations' project of rediscovering "The Lost Palaces of Europe". Last year, the first charity concert was given in St Petersburg, in the Tsar's Palace section of the Hermitage, closed to the public since the Russian Revolution.

This year's fund-raising concert,

in aid of the UN Decade of the Disabled, was given by the Interpreti Veneziani, a chamber orchestra of 14 young players associated with the Venice Opera House, conducted by Paolo Cognolato, with Andrea Cappelletti as soloist in Mozart's Fifth Violin Concerto, and the baritone Maurizio Muraro as the explosive Maestro di Cappella in Cimarosa's comical *Cappella*.

All performers made the most of the surprisingly good acoustics in Palladio's curiously faint cruciform central space. Television cameras were there recording the occasion, and it was notable that during the more soulful moments the director tended to pan towards the ceiling and its mural of the Fall of Icarus. This may not have the desired effect, since, looking much more worn than their 400-odd years would warrant, the paintings must always have been all too evidently the work of a woeful journeyman.

Now that the villa has been relaunched on the tourist circuit and the UN projects for the disabled have benefited, one wonders what next?

The Villa Pisani will be available for concerts, conferences and the like, as well as being added to the list of places Palladio tours will want to visit. As it is earlier than most, and a good introduction to a Palladio just beginning to stretch his architectural wings, it is likely to prove a welcome retrieval.

JOHN RUSSELL TAYLOR

Diane Hill visits a Paris exhibition that drags cigarette packaging into the 1990s

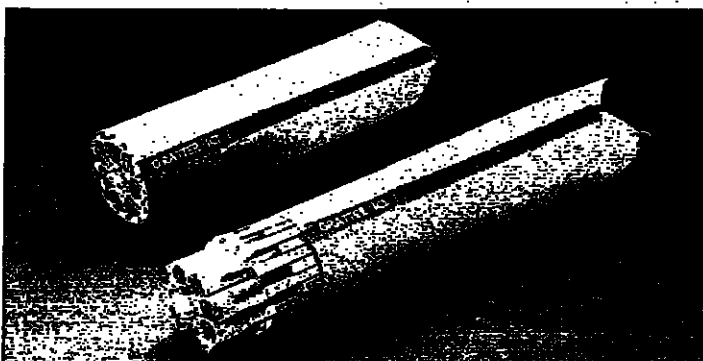
Designed to go up in smoke

Not since the introduction in the 1950s of the flip-top pack, has cigarette packaging been the subject of such a design revolution as is currently smouldering in Paris.

The agitators behind this attempt to overthrow the familiar rectangular box are the Musée des Arts Décoratifs and the Musée de la Publicité, together with SEITA — France's nationalised tobacco industry. Under the rallying cry of *Mettez le Paquet* (a punning "give your all"), the Musée des Arts Décoratifs launched a national competition, inciting *créateurs* from all walks of design to invent a new way of packaging cigarettes "adapted to our present day life-styles", suitable for standard size cigarettes and for cheap, mass production.

Some sixty industrial designers and architects entered. These were whittled down to thirty by a jury presided over by the French design guru Philippe Starck, who coined the event's cryptic sub-title *Quitter le paquet en fumée, après du panache*, which can be translated as "even if it entails going up in smoke, do it with panache".

And panache is what the selected designs certainly have. First, they out the idea that cigarettes must be sold in packs of tens and twenties. Gaëlle Le Guillerm's winning design slides eight cigarettes into a beautifully styled, palm-sized tube with an ingenious tab opening which is encircled by a coronet of tear-off safety matches, struck on a built-in strip. For M. Le Guillerm, aged 25, an interior designer who set up his own general design



The winning design, top, a tubular pack encircled by a band of matches. Other exhibits include, below left, a flexi-pack that clips to a belt and a box that snaps shut when anyone tries to take a cigarette

studio in 1990, the win means FF30,000 prize money and the strong possibility that his design will go into production.

Jean-Michel Polica's pack of three, which sits snugly in a holster that hooks over the ear, has limited commercial appeal but its ingenuity won the jury's *coup de coeur* and FF10,000 francs. M. Polica, a 22-year-old design student and

non-smoker, says he got the idea from his habit of sticking pencils behind his ear.

There is however no reason why some of the other ideas should not be taken up by a cigarette company. The long strips of cigarettes, vacuum packed like pills, designed by Françoise Perlestin, an architect, and Pierre Verger, a designer, have commercial flair, as does the work

of Tania Messoudine Chebli, a design student. She created flexi-packs each holding eight cigarettes, that can be attached to a belt. The architect Olivier Védrine's single cigarettes, displayed in transparent tubes topped with a three-dimensional replica of the manufacturer's trademark, are potential collectors' items.

Many of the designs have built-in devices for keeping tabs on cigarette consumption, ranging from numbering every cigarette, to sectioning a pack of twelve into four tear-off packs of three. In one design, a pair of jaws which snap shut on the fingers overly discourages the taking of a cigarette. For smokers in France, where laws are shortly to come into force that ban smoking in many public places and demand that restaurants and cafes have non-smoking areas, these are useful devices.

All thirty projects are on display at the Musée des Arts Décoratifs, backed up by a SEITA exhibition of tobacco through the ages, which reminds us that in 1556 Jean Nicot was exclaiming its medical virtues.

However, the most forceful comment is made by the designer Stefano Piretti, with a simple geometric, white packet, richly lined in purple. The sophisticated black-banded cigarettes lie wreathed in matches. So elegant is the design, so exquisite its execution, that its sheer beauty makes it a desirable object. The realisation that it is a coffin, comes slowly but surely and the dedication, "to Beatrice, my beloved" takes on new meaning. ● *Mettez le Paquet* runs until December 3. Smoking is not allowed.

● AMSTERDAM: The work of the Swiss Post-Impressionist Félix Vallotton is on show in Amsterdam — the largest retrospective of his art ever assembled outside Switzerland. Paris-trained, Vallotton first exhibited his work in 1885 but only acquired widespread acclaim for his black and white woodcuts in 1891. This exhibition comprises a hundred paintings and 50 works on paper including the woodcuts. Van Gogh Museum (third floor), Paulus Potterstraat 7 (010 3120 5705200). Until Nov 1.

● AMSTERDAM: Borrowed from the Frits Lugt Collection in Paris, *Drawings from the Age of Bruegel* is a collection of 16th-century Netherlandish drawings of high quality offering a clear reflection of the artistic movements of that period. Rijksmuseum, Stadhouderskade 42 (010 3120 6732121). Until Nov 8.

● BRUSSELS: Théâtre National's winter season brings stagings of *Le Purgatoire* after Dante (until Oct 24); Shakespeare's *The Comedy of Errors* (Oct 26-31); Georg Büchner's *Léonore et Léna* (Nov 10-14); and Beaumarchais's *Le Barbier de Séville* (Nov 25-Dec 12).

● BRUSSELS: The Brussels Philharmonic Society programme of October concerts features the Chamber Orchestra of Europe under Nicholas Harnoncourt playing Beethoven, Schumann and Haydn (Oct 16); the well-known partnership of André De Groote, piano, and Pierre Spanghe, cello, plays sonatas by Enescu, Britten and Shostakovich (Oct 19); Yehudi Menuhin directs three musical ensembles and four soloists in a gala concert to celebrate the inauguration of the International Menuhin Association for children (Oct 21); Elisabeth Leonskaya, piano, and Philippe Hirschhorn, violin, play sonatas by Beethoven (Oct 26); and the Kuijken Quartet play quartets by Mozart and Haydn (Oct 31).

● FERRARA: The music of Brahms dominates a series of concerts given by the Chamber Orchestra of Europe during a short residency at the Teatro Comunale during November. An all-Brahms concert conducted by Ivan Fischer opens the series on November 3 (with Peter Donohoe the soloist in the Piano Concerto for piano and orchestra). There are further concerts on November 6, 7, 9, 12. Information: Ferrara Musica, Corso Giovecca, 38-44100 Ferrara (010 39532 202220).

● PARIS: A co-production between Opéra Comique and the Massenet Festival of Massenet's opera *Esclavage*, reaches an airing in Paris following its Festival premiere. Anna Maria Gonzalez and Denia Mazzola will share the role of Esclavage; Patrick Fournillier conducts. Opéra Comique, 5 rue Favart, 75200 Paris (010 331 42961220). Nov 18, 20, 21, 22, 25-28.

● PARIS: The autumn season of Spanish and Latin American drama at the Odéon is rounded off with Lope de Vega's *Le Chevalier d'Olmedo*, a "cloak-and-dagger" play of the Spanish Golden Age, in a new French translation by the poet Zeno Bianchi.

● PARIS: Opening tomorrow is a new production of *La Bayadère* by the Opéra de Paris with choreography by Rudolf Nureyev after Marius Petipa. The ballet is set in a fantastical India and revolves around a temple dancer, a bayadère, loved by a warrior who is pledged to the jealous daughter of a rajah. Opéra de Paris Garnier, 8 rue Scribe (010 331 47425371). Tomorrow, Fri, Oct 12, 14, 15, 17, 20, 21, 23, 24, 27, 28, 30, 31.

● VIENNA: Peter Wood produces a new staging of the Verdi opera *Macbeth* for Vienna State Opera, with designs by Carl Tomas Renato Bruson sings Macbeth and Mara Zampieri, Lady Macbeth. Vienna Staatsoper, Österreichischer Bestelldienst, Opernstrasse 3, 1010 Vienna (010 43 15131513). Nov 2, 5, 8.

KARI KNIGHT

Up sticks and at 'em: sex war is simmering in an unlikely quarter. Oliver Bennett reports on female penetration of a male dancing cabal



Leading the traditionalists a dance around the villages of Britain: more than 1,000 women have taken up morris, despite the view of objectors that it has its roots in pagan fertility rites, and females might be spoiling the magic

Morris dancing is an odd affair that arouses a mixed public response somewhere between contempt and admiration. The writer Arnold Bar wrote in *Roswell to My Youth* that "one should try everything once, except incest and folk-dancing".

But that has not deterred an ever-increasing number of women from joining and starting morris "sides", as the teams are known. Instead of accepting the female converts, however, many men in the morris fraternity resent this female intervention.

Behind the rattling bells, banging sticks and rustic pleasantness of morris, there is an ongoing skirmish in the sex war.

Though the women are gaining ground, some morris men still refuse to dance if there are women morris dancers around, and repudiate the female right to dance. "If there's women dancing, it's not morris," is the staid phrase that tends to be muttered. That attitude has stuck to the Morris Ring, which is the largest morris dance organisation in the country and, like the

Garrick Club and the Magic Circle, one of a dying breed of male-only institutions in Britain.

Jill Rowan, a 39-year-old screen printer and morris dancer for 20 years, said: "I suppose that traditionally morris has been a male dance, and some have argued that it is a dance geared to the male body, in that it is perceived to be virile and muscular. A lot of objectors think it has its roots in the pagan fertility rites, and that if women dance it spoils the magic."

To counteract these entrenched attitudes, a group of women dancers formed the Women's Morris Federation in 1976, which since the early 1980s has been called the Morris Federation. Along with the Morris Ring and a more informal group called Open Morris, they make up the three main morris groups in the country. Of the three,

Morris Ring is the most traditional; the federation is quite academic and the Open Morris Group is more about having fun. Some are reluctant to focus on women's morris, because they don't want to bring the stain of sexual politics into their favourite activity. But there is no doubt that some aspects of morris are very conservative.

"If we say it's OK for women to dance, we'll split the organisation down the middle," says Chas Arnold, of the Morris Ring. "It's a minefield. In the early 20th century it was felt that morris dance was an ancient fertility rite and could therefore only be done by men, and the Morris Ring was set up in that atmosphere."

Morris history, and the sex issue in particular, causes much disagreement but, among several regional variations, there are special women's pieces such as the

Garland Dance and the Faggot Dance.

Though the Morris Ring is strictly male, it does not have a policy on women members. "They're happy with the federation set-up," Mr Arnold says.

However, when the Women's Morris Federation became the Morris Federation, many men began to feel uncomfortable in the male-only Morris Ring and the organisation is now composed of both sexes.

Though women dancers have found it difficult to penetrate the male morris cabal, their interest has revitalised the dance. Sally Weaving, a health and safety engineer and president of the Morris Federation, says: "We originally started in 1975 just for women. We needed support for each other. In the early 1970s many women started to dance, and

the rise is still continuing. Women are good at it, they enjoy it and it is great fun." The federation is now flourishing, according to Ms Weaving, and now, with this year's dancing season coming to an end, there are well over 1,000 women morris dancers in the country, many of whom are on its cards.

Nowadays morris dance tends to be middle class, largely attracting professionals, such as teachers. But before this century, it is thought to have been a male, working class and often solo pursuit. The first records of it date from around the 15th century, though many think it dates back to pagan Albion.

Contemporary history of morris dance usually starts with folk historian and collector Cecil Sharp's famous 1899 discovery of morris dancers led by William

Kimber in Headington, Oxford, but a woman may have been crucial to its survival. Malcolm Taylor, the librarian at The English Folk Song and Dance Society at Cecil Sharp House in north London, believes that morris may not be around today if it was not for a philanthropist called Mary Neal.

"Sharp was keen on notating the music, but Neal promoted the dance side and recorded the steps," he says. "In the 1960s and 1970s, women's sides began to form and Mary Neal was an important figure in that."

Between the wars, morris was still taught in school, and many older people remember dancing. "Then everybody stopped doing things together," Ms Rowan says. "Our generation came along and said we want a bit of real fun with real people."

Morris came back and mush-

roomed, at the same time as the rediscovery in the late 1960s and 1970s of other traditional things such as real ale and local festivals. Dorothy Monks, of the Open Morris Group, says: "The more women there are the better. I think most men accept that women dance now, and the more hide-bound ones are leaving morris because they are getting too old. The women enjoy it and the social life is good. Morris is now a living thing."

As far as Jill Rowan is concerned, the pleasure of women's morris is worth all the antipathy from the more fogey elements, and helps to prevent morris dance from becoming fossilised.

"Once you get involved with morris it becomes your social life," she says. "It's taken up most of my leisure time for 15 years. It's supposed to be magical, and as far as I'm concerned, it is magic. But if it is to be a living tradition, as we prefer to think it is, then it has to keep on changing."

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Can a woman be a morris man?

Italy's unrepentant revolutionary



Fighting talk: Emilia Callini has become a national symbol of fiery trade union anger

As opposition grows in Italy to the tough austerity measures being introduced by the government, Emilia Callini has juggled her roles as car factory worker, strike activist and MP to become a national symbol of fiery trade union anger.

Voters in the general election in April gave Signora Callini a parliamentary seat for the hard-line Rifondazione Comunista (Communist Re-foundation) party with 2,400 votes in the working-class constituency of Milan, Favia.

"I didn't think I would be elected," Signora Callini, 36, said at her office in the Montecitorio parliament building. "We communists of Alfa Romeo used to stand for the Chamber of Deputies as a demonstration of the popular struggle. I campaigned for a vote against Fiat [which acquired Alfa Romeo in 1986]. My election was a surprise for us all."

Signora Callini was born in the town of Lignano on the outskirts of Milan, the daughter of a foreman "who was not interested in politics" and a mother who was a fervent member of the Italian communist party. She began work with Alfa Romeo when she was 18. At the end of her shift, she went to night school and obtained a diploma in business studies.

She began studying for a degree in political science at Milan University but dropped out. "It was too hard on my life. I decided to work full time in the union and politics," she says.

Signora Callini has made

Emilia Callini, Italian communist MP and car factory worker, is stirring protest against enforced austerity

her mark in the Chamber of Deputies by adopting the tactics of a shop steward. "I took a photocopy of a Fiat pay packet and distributed it in the assembly. Deputies should know that car workers earn only 1,400,000 lire (£674) a month. I was called by the Speaker and reprimanded."

Last week Signora Callini was at the head of tens of thousands of workers marching through Milan to protest against the austere budget drawn up by the government.

Many of the protesters also denounced an historic agreement in July between trade unions, employers and the government abolishing the Scala Mobile, a wage index that economists said had contributed to inflation for 47 years.

Proposed government cuts in welfare and pension spending make her spit fire. "What this government is doing is to make those Italians pay who always have paid, without touching the big incomes," she says. "It is true that pensions such as 'baby pensions' [a scheme whereby state employees sometimes retire in their 40s] need reforming. But this government is incapable of sensible reforms."

Signora Callini finds most abominable the proposed swinging cuts to be made by the cabinet of the prime minister, Giuliano Amato, in the health service. These would end free medical care for everyone with incomes of 40

million lire a year (£19,000), subject to allowances for family size. "It is shameful that a family must decide at the first symptom of a sick child if they can afford to send him to the doctor or not."

The prospect of health cuts touches Signora Callini personally. She has a two-year-old son, Masimiliano. "He stays with my husband Renzo at Lignano during the week when I come to parliament in Rome. An aunt helps us out."

Her husband is a militant trade union activist on assembly line at the Alfa plant. He has been sacked and reinstated eight times. "He is not the only one," she says.

Her election to parliament has led to a battle with her employers to keep her job. "I made a request to work one day a week at Alfa. Every week I still go to the factory and present myself to the workers. At the beginning the firm seemed very agreeable to the idea verbally. But then they sent me a letter in which the firm refused to let me work one day a week. They said at the end of my mandate I will be laid off. Certainly they see my presence as a disturbance."

Her party, Rifondazione Comunista, was founded as a hardline Marxist breakaway grouping from the old Italian Communist Party (PCI) and another left-wing grouping, Proletarian Democracy in 1991. The bulk of the PCI decided to abandon Marxism altogether and formed the

Democratic Party of the Left. Signora Callini vehemently rejects the suggestion that the collapse of communism in eastern Europe means that communist values have no relevance. As parliament begins examining the austerity budget, she sees more industrial action as inevitable. The main trade unions have called for a four-hour general strike next Tuesday. "There has to be a general strike," she says. Signora Callini belongs to a small new militant union grouping, COBA, which campaigns on greater democracy for workers within unions.

Spending cuts, she says, will worsen the lot of Italian women. "The problem of managing the family has not changed in many years. Now they are increasing the number of years women have to

work to obtain a pension. There are many women today who work as shop assistants or factory workers. Their choice is not for personal gratification. It is to supplement the salary of their companion. Now women will have to stay at work for more long years, in many cases in slave-like conditions, and then go home to work as housewives."

Signora Callini admits that playing so many roles, as wife, mother, trade unionist and MP has left her sometimes wondering if she has not sold herself short.

"I try to reconcile important choices of life with politics, which is the most difficult thing for a wife. I try to reconcile my life with my companion and my son with my right to be in politics. Certainly I am losing the most beautiful years with my son. I am trying. Perhaps I am not succeeding."

JOHN PHILLIPS

Jane Mills found real "sisterhood" only after her own sister, and lifelong competitor, was murdered

Late one Sunday night in July the phone woke me up. I groaned; no doubt my sister Carolyn had timed yet another crisis to cause me maximum inconvenience. This time I'd tell her firmly to call me at a civilised hour.

I never got the chance to put the phone down on her. The call was to tell me her body had been found in an orchard in her South Yorkshire village. She had been raped and murdered.

I replaced the receiver and roared the house screaming. This wasn't like the death of my parents, when I felt numbed by absence and loss. I experienced Carolyn's violent death as physical pain.

And yet we were not the closest of sisters. We had spent our childhood locked in sibling rivalry. She was the one person above all others I knew I wanted to be different from. It was possibly the only thing on which we agreed. We kicked up a huge fuss when forced into identical frocks. The worst thing in the world for me was to be made to wear clothes she had grown out of.

This rivalry and the determination to deny all experiences and tastes we might have in common, persisted in adult-

hood. My mother caused much more than annoyance when she confused our voices on the phone. For most of our adult life Carolyn and I barely spoke to each other.

About three years ago I discovered Carolyn was going through difficult times but wasn't able to tell me herself. I felt extraordinarily hurt. And ashamed.

Where Carolyn and I trod, other sisters have gone before. Christina Rossetti was torn in two. Dedicating *Goblin Market* to her sister she idealised the relationship: "For there is no friend like a sister/In calm or stormy weather". But in *Sister Maude*, she consigned her denigrated sibling to hell: "But sister Maude, oh sister Maude/Bide you with death and sin".

Not even Simone de Beauvoir was immune. In childhood games she always cast herself as a saint or martyr and her younger sister, Helene, as the mean torturer.

I know this ambivalence well. It was a tension that Carolyn and I had tried to dissolve in recent months. But it was not easy. We both felt too threatened by any possible sameness. Our very last phone-call ended in an ab-

In memory of Carolyn



Early rivals: sisters Jane (left), Carolyn (right) and Ruth

surdly childish dispute about whether *Don Giovanni* was better than *The Marriage of Figaro*. We were incapable of celebrating a mutual love of Mozart.

Since my sister was murdered, my women friends have looked after me in ways that Carolyn and I never learnt to do for each other. They got me drunk and sobered me up,

indulged my sudden chocolate addiction then pushed me off to the gym, they laughed at my black humour and they cried with me, they let me alone but never let me be lonely, they lent me their beds, houses, cars and clothes.

Above all, my "chosen" sisters shared with me the searing images I had of Carolyn's death culled from countless

misogynistic movies which aim to gross millions by portraying male sexual violence as titillating entertainment. I don't know a woman who is not invaded by these images when we read in the papers of a woman who died as Carolyn did.

I probably have a larger repertoire than most since I once made a documentary for BBC's *Omnibus* programme on the subject. My research involved viewing over 200 movies in which the camera lovingly closes in on the terrorised face of the female rape and murder victim. I commissioned a script about rape which was filmed in two ways. The same story delivered one film in which it was turned into a sexually exciting spectacle and another in which it was depicted as the violent act it truly is. It exposed the truths behind the myths about sexual violence constantly reinforced in popular cinema.

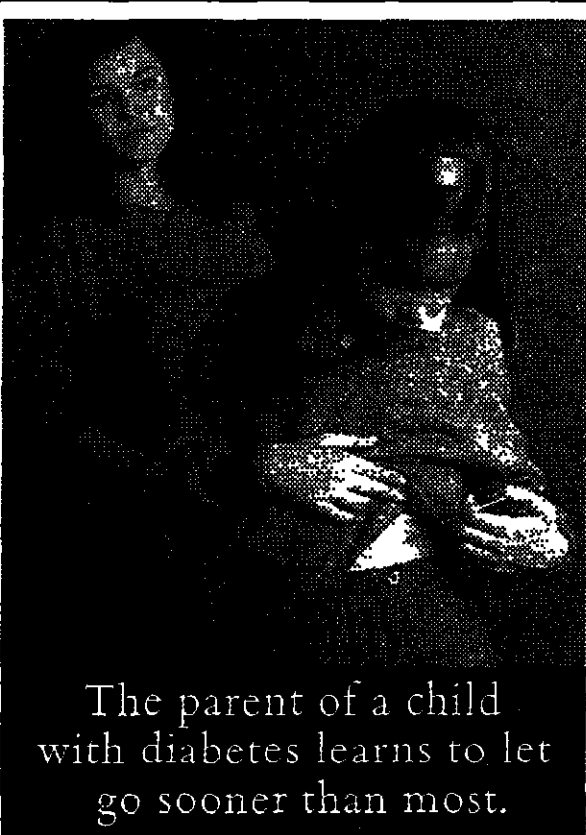
These myths emerged in the days immediately after Carolyn was raped and murdered. What exactly was a 49-year-old divorcee (read adventures) doing walking home alone (read wayward) at one o'clock in the morning? (Only witches, bats and prostitutes come out

at night.) Having been to a wedding party (read drunk) what else could an unwanted (read scared) woman expect? And, like all female victims of sexual violence, she was "attractive" — has a murdered man ever been described as "handsome"? The innuendoes were implicit in all the tabloid newspaper reports. Her right to independence and to a safe walk home were not mentioned.

A week later a local man gave himself up. I got comfort from the fact that, unlike most women Carolyn had been murdered by a complete stranger. A few days earlier I had heard the police officer in charge of the murder hunt say no woman was safe until he was caught. I stopped inspecting the face of every man I saw for signs of possible guilt. But I don't feel safe.

Some years ago I was attacked as I walked home alone late one night. I was lucky. My attacker failed to rape or murder me. That night I learnt that however much I wanted to reclaim the night it was not something a woman could do on her own. I never got round to sharing this knowledge with Carolyn.

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Chewing over the chance of price rises

Five experts in one room can't be wrong — or can they?

Rachel Kelly reports

Take an estate agent, a lender, an analyst, a builder and an academic, all leaders in their fields. Put them round a table and ask them what every homeowner wants to know, more than ever after the recent turmoil in interest rates and a further drop in house prices when may prices start rising again, and what pattern will the rises take? Will a house once again become the best investment anybody can make?

The Times did just that. The panel, at a seminar at Hambros Bank, consisted of Harry Hill, the managing director of one of the UK's largest estate agency chains, Hambros Countrywide; Adrian Coles, the head of external relations at the Council of Mortgage Lenders; John Wriglesworth, a housing analyst from UBS Phillips & Drew; David Holland, Wimpey Homes' chief executive; and Christine Whitehead, from the economics department at the London School of Economics. The aim was to take a broad look at the housing market, past and present, not to assess its daily changes. Reproducing the views of panel members inevitably requires generalisations and a need to gloss over individual differences in the interests of reaching some kind of conclusion.

However, those involved commercially with property, such as Mr Holland and Mr Hill, are making prognostications whose accuracy will determine the success of their businesses. Others, such as Dr Wriglesworth, depend for their livelihoods on the truth of their predictions. All have a deep knowledge of the market, often at the sharp commercial end, which informs their judgments.

Prices, the panel members concluded, will start creeping up in nominal terms next year, but by too little to beat inflation. Only in 1994 will house prices once again outperform inflation.

Thereafter, there will be more



booms and busts, but the cycles will be less violent than in the late 1980s. Prices will never go up at 25 or 30 per cent a year. Rather, the gentler cycles of the 1950s, 1960s and 1970s will return. House purchase will still be a sensible investment, though no longer necessarily the best and only one. For the first time, house-buying faces stiff competition from other investments.

These were their conclusions. More interesting is the reasoning behind the views. The thrust was that the late 1980s cycle was abnormal and we shall never have a housing market like it again. Instead we shall return to the housing market we have known in the past, with one difference: that we now have relatively low inflation and the government is committed to keeping it that way, whether or not we are in the exchange-rate mechanism.

Lenders made the 1980s price rises possible with unprecedentedly generous loans: 30 per cent of mortgages in 1988 were 100 per cent loans. Lenders were swept along by the belief, shared by practically everybody else, that

prices could only go up. For the first time they were also competing with banks to lend because of financial deregulation. The combination of banks and building societies bending over backwards to lend flooded the market with cash for borrowers. Now lenders are returning to demanding a deposit of at least 5 per cent of the price.

The 1980s also bred a new type of buyer to mop up the money waiting to be borrowed — younger than ever and more interested in making a quick buck than in buying a home. Who could blame these entrepreneurs when profits were to be made by borrowing as prices continued rising?

Grossly simplified, if in the late 1980s you bought a £100,000 house with a 100 per cent mortgage, you could borrow at 10 per cent, but the value of your house was rising by 20 per cent a year. At the end of the first year you therefore made a straight profit of 10 per cent of the initial value of your house, or £10,000, from an investment of practically nothing. The more you borrowed, the more, it seemed, you could make. So those who could borrow, did in a frantic

rush not to miss out. Now borrowing is relatively expensive, despite the recent fall in interest rates. If you buy a house for £100,000 with a 100 per cent mortgage, you are paying £9,000 a year in interest payments, with no increase in the value of your house.

"People were piling into the market in the 1980s who should never have bought houses or flats in the first place," Mr Hill said. "Typically, they were young single people, perhaps two short-hand typists who worked in the same office and bought together. These relationships break down. We are now returning to our core business of married couples looking to start a family, who want a home."

A new type of property was built or created to satisfy the demand of such new first-time buyers. Victorian terraces in London and other cities were converted in their thousands. Barratt and Wimpey built one-bedroom studio flats. Now estate agents such as Mr Hill find that 300 sq ft studio bedsits are the hardest kind of property to sell. He says people will never buy these

properties in such quantities again, but will return to buying houses when they are slightly older.

The cost of houses compared with income was also extraordinary in the late 1980s. A buyer might have been paying for a property costing five times his salary. Yet the traditional sensible loan is about three times a buyer's salary.

"Affordability levels measured by looking at incomes in relation to house prices are back to normal levels, of roughly house prices equal to three times income," Dr Wriglesworth said.

A new type of buyer, borrowing more than ever on a new type of property, symbolised the 1980s. The speculative motive for buying houses in the 1980s, so crucial to the price rises, will never be so attractive again.

In part, this is because other investments are competing with housing, Dr Wriglesworth said. Housing is no longer so attractive when interest rates are high — even if at 9 per cent they are lower than before — but price rises are also low, making the real cost of borrowing expensive. The subsidy through tax relief on mortgage interest is worth

less now, and its value will continue to decline. The government no longer links such tax relief to inflation, fixing £30,000 as the amount on which tax relief is allowed.

High interest rates make investing money in a building society attractive. "Returns are high and attractive if you invest in Peps or Tassas or a building society or in a business expansion scheme," Dr Wriglesworth said. "If investment in housing was a motive in the past, it is now a reduced incentive."

Low inflation does not always mean low prices. Japan, with the world's lowest inflation, has high prices, but that is because of limited land supply. However, low inflation generally means lower price rises, the panel concluded, but prices will not jog along in a straight line above inflation. Dr Wriglesworth said: "Cycles will carry on, as in the past. With the worst recession since the second world war, the correction could be huge. I predict a mini-boom in 1994."

Cycles will continue because the housing supply can never react quickly enough to demand. Proj-

tions of household formation show that demand will continue to rise. Housing will no longer shine as an investment, but its appeal will remain. Housing will be for nesting, not investing. Here lies the relevance of Dr Wriglesworth's "baby boom" recovery theory of the housing market.

The 1964 baby boom, when more than a million babies were born, means that a new generation of families will soon start forming. In turn, these families will embrace homeownership for the first time, having delayed buying during the past four years.

When these families start to have children, the disadvantages of renting property will become apparent. "Families are more frightened of being thrown out," Dr Wriglesworth said. "The desire to decorate, garden and settle all come with a family and all require a home of your own."

According to every market research survey, homeownership is still the most popular form of tenure, in part dictated by the UK's housing stock. This is conducive to ownership because it is made up of individual units. In Hong Kong, by contrast, the preponderance of office blocks means low homeownership levels.

Dr Whitehead said: "If demand picks up we shall not be able to provide the additional housing, especially as the overhang says we do not need it. Therefore, we have still got a worry about inflation, unless we start to build more houses, which the building industry finds extraordinarily difficult to do."

That, Mr Holland explained, is to do with land supply. "There is no cohesive policy at a national level," he said. "Demand outstrips supply regionally, which pushes up prices."

House price inflation will remain, causing cycles. The time in the cycle when you buy the house will still determine whether you make money. Buy when prices are at their peak and you are likely to lose in the short term, but if you wait long enough, your investment will pay off in the long term.

The real losers are those who bought at the height of the boom. Their losses are painful and real, because we can no longer rely on high inflation levels to push up prices sufficiently for years to come to allow them to recover their investment.

When a new house starts to crumble

Owners on a recently built estate are questioning the value of the NHBC guarantee

Homeowners on a new upmarket estate intended to be a model of British housebuilding are questioning the value of the NHBC guarantee

So enraged are families at Bradley Stoke, a suburb of Bristol, that they have also erected makeshift signs outside their homes to reflect the poor standards to which they allege the houses were built and to drum up publicity for their plight. Instead of the usual signs for "Fairview" or "Fernside", cardboard signs for "Crumbling Cottage", "The Shambles", and "Faulty Towers" are on display at a development of detached three and four-bedroom executive houses at Chessell Close, built by Lovell Homes.

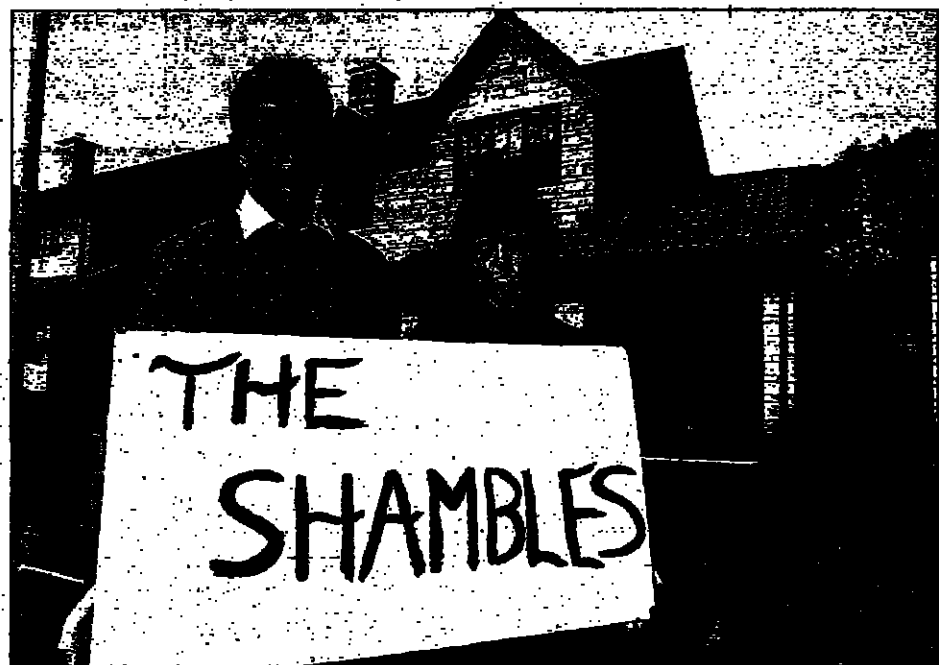
Residents of a number of the £100,000 homes allege that the houses were built with defective mortar, which has now crumbled. The walls are cracked and in danger of collapse, say members of the Chessell Close Residents Association, formed this year.

Duncan Westlake, from the association says: "Groups of us are now picketing some of the companies' 78 sites round the country at weekends to persuade Lovell Homes to deal with the residents of Chessell Close fairly."

The houses were built three years ago, with cement mix containing six times more sand than should have been used, say the residents, who discovered the faults last December. Mr Westlake says: "You can push a screwdriver through some of the walls. They are like sandcastles."

Surveyors have found up to 100 defects in some houses, including foundations as much as three feet too shallow. Lovell counters that the surveyors used by the residents were inexperienced.

On the residents' behalf, solicitors issued proceedings



Taking action: residents rename their Lovell-built houses in Bradley Stoke

against Lovell in January, but no settlement has been reached. Lovell says it has made offers to some residents, including the repair and phased repurchase of the properties. A spokeswoman says: "We have obtained reports from the best technical experts on the allegations that have been made in the proceedings. Advice from those experts differs significantly from the views being expressed by the surveyors employed by the residents. We think the residents have made mistakes on the cement mix analysis, and in their judgments on the foundations. The foundations are deeper than required by regulations."

Lovell has already rehoused the residents of 17 houses in Kites Close, a phase of the same development built at the same time, after a garden wall collapsed at one home and cracks and holes appeared in the others.

If the residents' allegations are proved, the case makes worrying reading. The advantage of buying new, as a thousand developers will tell you, is that new houses do not

crumble. And if they do, then the National House Building Council (NHBC) exists to underpin consumer protection and self-regulate the house building industry. The NHBC issues a certificate with every new home which certifies that building regulations have been met and issues a ten-year warranty in case problems should develop. Mr Westlake has nothing but contempt for the NHBC. "The NHBC ten-year guarantee only works if the house literally falls down. Our homes have been subject to premature failure, with cracks appearing. They are not going to fall down immediately, but may well do so after the ten-year guarantee has expired." Instead, residents have been forced to resort to legal action.

An NHBC representative reported a year ago that the houses required a re-point or were of adequate construction. This was based on the NHBC's own evaluation of the mortar, supported, it says, by an independent analysis.

Yet the residents' own survey (the NHBC did a visual

inspection) revealed that some of the houses needed total rebuilding. The NHBC says its investigation team were "thoroughly experienced and competent, including a builder and chartered engineer", and the results were checked by a chartered surveyor.

"We've lost faith in the NHBC," Mr Westlake says. "Not only did its inspector not reveal the extent of the damage to the house, but its own building regulations were not adhered to in the first place, even though we were given an NHBC certificate."

Basil Bean, the NHBC's chief executive, says: "Our investigations have been carried out in an impartial and professional manner. They have independent verification. The remedial work which we have proposed is based on those findings. But our efforts to help the residents have been frustrated by their unwillingness to hand over their surveyor's reports and by delays caused by their professional advisers."

Much depends upon the outcome of the case should the public have faith in the NHBC and self-regulation? If there are problems with a new home, will the NHBC rectify them? Will an Englishman's new home once again be his castle? Watch this space.

R.K.

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CHANNEL 4

- 6.00 **Catootens** (82842)
- 7.00 **The Big Breakfast** presented by Chris Evans and Gaby Roslin (15133)
- 9.00 **You Bet Your Life**. American game show hosted by Bill Cosby (53533)
- 9.30 **Schools** (20674)
- 10.00 **The Stars: The Secrets of the Sun**. Heather Couper looks at the sun through a solar telescope (t). (Teletext) (73397)
- 12.30 **Sesame Street**. Early learning series (94194)
- 1.00 **Eureeka's Castle**. Music and cartoons for children (t) (85674)
- 2.00 **Great Russian Writers**. A Russian-made portrait of Leo Tolstoy
- 3.00 **Film: The Scamp** (1957, b/w) starring Richard Attenborough, Terence Morgan and Colin Petersen. Sentimental tale of a ten-year-old, rejected by his drunken father, who is befriended by a suburban schoolmaster and his wife. Directed by Wolf Killa (4687537)
- 4.05 **Three Stooges in 1 Can** Hardly Wait (1943, b/w) (5771254)
- 4.30 **Fifteen to One**. Fast-moving knock-out general knowledge quiz contest presented by William G. Stewart (t) (945)
- 5.00 **The Oprah Winfrey Show**. The guests are people who have had near-death experiences, including Elisabeth Taylor (t) (5363597)
- 5.50 **The Nipper Roundabout**. Classic children's series, narrated by Nigel Planer (t) (519910)
- 6.00 **Treasure Hunt**. Annika Rice buzzes around the Borders in search of hidden treasure (t). (Teletext) (98194)
- 7.00 **Channel 4 News** with Zeinab Badawi in London and Jon Snow at the Conservative party conference in Brighton. (Teletext) Weather (t)
- 8.00 **Brookside**. Soap set in a suburban Merseyside close. (Teletext) (t) (8378)



Raising Caine: Michael guests for Des O'Connor (8.00pm)

Oxford blues John Thaw is arrested for murder (8.30pm)

8.30 **Inspector Morse: Masonic Mysteries.** In the last of the series of repeats the redoubtable Inspector finds himself arrested on a charge of murder and even the famous Sergeant Lewis has doubts about his boss's innocence. Starring John Thaw and Kevin Whately. (Teletext) (90115)

10.30 **Packing Time.** In Variety acts presented by Jenny Edair, Frank Skinner, Roger Mann and Kevin Eldon. Tonight's guests are Mark Lamer, John Shuttleworth and Uccasi and Segel (S) (572668)

11.15 **The Prisoner.** Cult television series from the 1960s starring, devised and written by Patrick McGoohan. (S) (572668)

12.15 **Sam The Stevie Allen Show (r/w).** American satirical comedy from the 1950s. The guests are Lou Costello and Peter Lawford (6170750)

12.40 **The Best of the Worst.** The first of a new series featuring out-takes from American television programmes (G) (4805798)

1.10 **101 Bowery.** (1979) starring Peter Onorati, Dolly and Raoucci Shalish. An Indian film about the lives of the Hindu and Muslim community. Directed by Manmohan Krishna (41266972). Fnds at 3.15.

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1. The first group of variables includes the demographic characteristics of the respondents, such as age, gender, and education level. These variables are used to control for potential confounding factors that may influence the dependent variable.

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